
University of Newcastle-upon-Tyne
School of Agriculture, Food and Rural Development

**Regional Dimensions in Rural Development Policies?
The Case of Poland in the EU**

Ph.D. Thesis

by

Iwona Lisztwan

Supervisor: Prof. David Harvey

NEWCASTLE UNIVERSITY LIBRARY

201 29803 7

Thesis L7509

September 2003

Table of Contents

Executive summary	1
Acknowledgements	16

CHAPTER 1

Research rationale, context, questions, and methodology	19
1.1. Objectives and outline	19
1.2. Research motivation: rooted in policy practice	20
1.3. EU rural policy in Poland and policy regionalisation choices	20
1.4. Research questions: initial ambitions, early disappointments and forced amendments	24
1.5. In search for specific research propositions: the regionalisation and decentralization debates	25
1.5.1. New public management	25
1.5.2. Economic approaches (incl. fiscal federalism literature)	27
1.5.3. New regionalism	28
1.5.4. Regionalisation issues in rural development policy and research agendas	29
1.5.5. Specific research propositions	30
1.6. Research methodology	31
1.7. Polish regionalisation reform	35
1.7.1. Definitions: policy regionalisation	38
1.8. Roadmap for this thesis	40

CHAPTER 2

Nature and Geography of Rural Development

towards a theoretical framework for analyzing spatial dimensions of rural development in Poland	44
2.1. Outline and objectives of Chapter 2	44
2.2. Concepts of development process and its main mechanisms	44
2.3. The process of agricultural and rural development and its primary determinants	48
2.3.1. Definitions and core conceptualisations	48
2.3.2. Determinants of rural development process: endogenous/exogenous debate	50
2.4. Geography of economic dynamics	52
2.4.1. Convergence-divergence debate	52
2.5. Main spatial categories	54
2.5.1. Rural	54
2.5.2. Rural typologies	55
2.5.3. Spatial units: region, locality and local labour unit	57
2.6. Proposed methodology	58

2.6.1. Geographical units	58
2.6.2. Differentiated rural characteristics and their underpinning	59
2.6.3. Advantages and limitations of the proposed framework	63

CHAPTER 3

Spatial analysis of agricultural and rural development in Poland	65
3.1. Objectives and content of Chapter 3	65
3.2. Poland: location and natural conditions	66
3.3. Poland: spatial heritage of history	66
3.4. Macroeconomic performance of Poland in the transition period	70
3.5. Regional differentiation in Poland	71
3.6. Agricultural and rural sector in Polish economy	76
3.6.1. Rural resource base relative to urban resources in Poland	76
3.6.2. Structure of rural economy in Poland	80
3.7. Territorial variations in rural and agricultural sector in Poland	88
3.8. Polish rural localities across regions	98
3.9. Conclusions from Chapter 3	106
3.9.1. Implications of spatial analysis for rural policy design in Poland	109

CHAPTER 4

Regionally formed preferences for structural and rural development policies in Poland	113
4.1. Objectives and outline of Chapter 4	113
4.2. A regional consultation exercise: grounded in experience	114
4.3. Theoretical categories and issues	115
4.3.1. Preferences, preference ordering and transitivity	115
4.3.2. Legitimacy of regional preference formation	117
4.3.3. Territorial identity and legitimacy	118
4.3.4. Language, politics and communicative governance	122
4.3.5. Core analytical framework for regional preferences	125
4.4. Data and methodological considerations	126
4.4.1. Methodological issues connected with documentary research	126
4.4.2. Regional development strategies and data constraints	127
4.4.3. Regional consultation process for SAPARD and its biases	128
4.5. Legitimacy of regional rural development preference formation	129
4.5.1. Legitimising regional identities	129
4.5.2. Legitimising participation	132
4.5.3. Other examples of discursive legitimacy	133
4.6. Regional preferences for rural policies	137
4.6.1. Regional preferences for rural policies as revealed by regional development strategies	137
4.6.2. Preferences for rural policies revealed by SAPARD regional consultations	140
4.6.3. Consistency of preferences revealed via SAPARD and via strategy documents	142
4.6.4. Discourses of intra-regional differentiation in conditions and policy preferences	143

4.7. Conclusions: regional preference formation for rural policies in Poland – communicative governance? _____	146
--	-----

CHAPTER 5

Regional distribution of funding for structural and rural development policies in Poland _____	150
5.1. Objectives of Chapter 5 _____	150
5.2. Context for undertaking spatial budgetary allocations for rural development programmes _____	151
5.2.1. Ambiguities in EU cohesion policy and in its rural component _____	151
5.2.2. Distributional effects on policy and spatial fairness _____	156
5.2.3. Allocative biases in structural and rural development policies _____	158
5.3. Regional funding in practice: the SAPARD regional envelope experience. _____	159
5.3.1. Rural infrastructure regional budget _____	161
5.3.2. Rural diversification regional budgetary envelope _____	164
5.3.3. Agricultural investment regional budgets _____	166
5.4. Regional envelope as an equity modifier – evidence from past policy experience _____	169
5.4.1. Regional distribution of rural infrastructure grants _____	169
5.4.2. Regional distribution of support for non agricultural business and job creation grants _____	172
5.4.3. Regional distribution of horizontal schemes to subsidise investment in agriculture and food sector _____	174
5.5 Conclusions _____	176

CHAPTER 6

Regional dimension in Polish EU rural policy process _____	179
6.1. Objectives and outline of chapter 6 _____	179
6.2. Participant experience in Polish EU rural development policy _____	179
6.3. Struggle between policy participant and policy researcher _____	182
6.4. Core Western European political theories, and their relevance to Polish EU rural development policy context _____	184
6.5. Polish EU structural and rural development policy process: short-term analysis _____	188
6.5.1 Policy inputs _____	189
6.5.2. Policy bargaining _____	202
6.5.3. Provisional policy outputs _____	208
6.5.4. Conclusions: key short-term determinants for Polish EU rural policy regionalisation _____	209
6.6. Long-term factors affecting regionalisation of Polish EU structural and rural development policies _____	211

CHAPTER 7

Synthesis, conclusions, policy implications and new questions _____ 214

7.1. Objectives and outline _____ 214

7.2. Key findings revisited _____ 215

7.3. Theoretical synthesis: towards an integrated framework for policy analysis _____ 217

7.4. Regionalisation conceptualized under integrated policy analysis framework _____ 221

7.5. Policy relevance and recommendations _____ 226

7.5.1. General policy conclusions _____ 226

7.5.2. Regionalisation of rural development programmes in Poland: specific policy implications _ 235

7.6. The End... and the beginning _____ 237

Literature _____ 241

List of Appendices

- Appendix 1 Past studies of spatial dimension in Polish rural areas
- Appendix 2 Basic rural and regional statistics for Polish regions
- Appendix 3 Correlations between major rural variables (at NUTS 2 level)
- Appendix 4 List of indicators used in the spatial analysis
- Appendix 5 ANOVA: typology of Polish regions (by groups of rural resource index)
- Appendix 6 ANOVA: classes of regions in terms of rural business development
- Appendix 7 ANOVA: characteristics of clusters of ruralities
- Appendix 8 Factor analysis of regions (options)
- Appendix 9 Rural resource structure: web diagrams for regions
- Appendix 10 Cluster analysis of ruralities (options)
- Appendix 11 Rural regional profiles (options)
- Appendix 12 Regional distribution of ARMA national rural development schemes
- Appendix 13 Participant observation: activities in brief
- Appendix 14 List of semi-structured interviews

List of Figures

Figure 1.1.	Grounded theory method applied in this thesis
Figure 1.2.	Three dimensional classification of policy regionalisation
Figure 1.3.	Scheme of main research structure and process
Figure 2.1.	Area based rural resource pentagon
Figure 2.2.	A conceptual model for analyzing spatial rural heterogeneity
Figure 3.1.	Geographical inheritance of Polish history: "God's Playground" Major Shifts in Polish territorial boundaries in 18 th -20 th century
Figure 3.2.	Levels of GDP per capita in Polish regions in 1999* (PPS, EUR)
Figure 3.3.	Relative GDP per capita growth in Polish regions in 1995-1999*
Figure 3.4.	Structure of regional gross value added by sectors (1999)
Figure 3.5.	Structure of regional employment by sectors (1999)
Figure 3.6.	Level and urbanisation and GDP per capita in Polish regions (1999)
Figure 3.7.	Previous geographical studies of Polish rural areas
Figure 3.8.	Main indicators for analysing diversity of Polish rural conditions and their relevance to development framework
Figure 3.9.	Population in five types of Polish ruralities.
Figure 3.10.	Rural regional profiles: Five types of ruralities in Polish regions
Figure 4.1.	Central concepts for analysis of regional rural policy preferences
Figure 4.2.	Consistency of regional preferences (as revealed through SAPARD consultation exercise and regional development strategies)
Figure 5.1.	Regional allocation for rural infrastructure and linkage with GDP/capita
Figure 5.2.	Rural diversification financial allocation and its linkages with regional rural cohesion objectives
Figure 5.3.	Agricultural investment regional envelope and its linkage to regional cohesion
Figure 5.4.	Regional distribution of ARMA infrastructure schemes as compared to equity benchmark (SAPARD)
Figure 5.5.	Regional absorption patterns of ARMA schemes for rural infrastructure (1999+2000) in relation to regional rural resource category
Figure 5.6.	Regional shares in total schemes budgets for ARMA diversification schemes as compared to equity benchmark (SAPARD)
Figure 5.7.	Regional absorption patterns of ARMA schemes for rural enterprises (1999+2000) in relation to regional rural resource category
Figure 5.8.	Regional distribution of ARMA agricultural credits and its regional "fairness" as legitimised by SAPARD allocation (% of total budget)
Figure 7.1.	Integrated framework for analysis of rural policy and process

List of Tables

Table 1.1.	EU expenditure for Polish agriculture and rural areas in 2004-2006 (Copenhagen agreement)
Table 1.2.	Polish public development expenditure on agriculture in 2000 at central and regional level
Table 1.3.	Three dimensional definition of policy regionalisation (The case of EU rural and structural policies)
Table 3.1.	Match between labour and value added in Polish and EU economy
Table 3.2.	Disparities in regional GDP per capita in Poland and selected EU member states (at NUTS 2 level)
Table 3.3.	Synthetic measurements of attractiveness of Polish regions for investors
Table 3.4.	Educational attainment of Polish rural and urban population (aged 15 and more) (1995)
Table 3.5.	Educational attainment of rural population: connected with farms and working outside own farm (1996)
Table 3.6.	Age distribution of rural and urban population (1997)
Table 3.7.	Structure of employment of rural population (1992, 1998)
Table 3.8.	Sources of incomes of rural population in Poland
Table 3.9.	Income and employment of rural population in Poland
Table 3.10.	Professional activity of rural population (aged 15 and more) (2001)
Table 3.11.	Rural and urban businesses by selected sectors (31.12.1999)
Table 3.12.	Index of rural and urban communes' own revenue (G index) in 2000
Table 3.13.	Rural and urban migrations in 2000
Table 3.14.	Production patterns of Polish agriculture in 2000 (%)
Table 3.15.	Holdings and the Land Area in Poland, (1996)
Table 3.16.	Linkages of Polish farming with the market
Table 3.17.	Variables characterising Polish rural regions: descriptive statistics
Table 3.18.	Indicators of rural resources and structure and their influence on the overall rural development index
Table 3.19.	KMO and Bartlett's Test for Factor Analysis of Polish Rural Regions
Table 3.20.	Key factors differentiating Polish rural regions (principal component analysis)
Table 3.21.	Rural resource index of Polish regions based on multivariate analysis
Table 3.22.	Rural business profile across Polish rural region
Table 3.23.	Regional rural resource index and rural business development categories of Polish rural regions
Table 3.24.	ANOVA: Basic rural variables at commune level within and between regions (by F value)
Table 3.25.	KMO and Bartlett's test for variables at NUTS 5 level
Table 3.26.	Major factors underlying differences behind Polish ruralities (PCA)
Table 3.27.	Final cluster centres – typology of Polish ruralities
Table 3.28.	Characteristics of five major types of ruralities in Poland

Table 4.1.	Preferences for structural and rural development policies across Polish regions (as per development strategies)
Table 4.2.	Regional preferences for rural development policies (as revealed in regional development strategies)
Table 5.1.	Model of "fair" budget regionalisation for rural infrastructure (SAPARD)
Table 5.2.	Regional envelope for rural infrastructure measure in SAPARD: descriptive statistics
Table 5.3.	Regional envelope for infrastructure measure against cohesion yardsticks (Pearson correlations)
Table 5.4.	Model of "fair" budget regionalisation for rural diversification (SAPARD)
Table 5.5.	Regional envelope for rural diversification measure in SAPARD: descriptive statistics
Table 5.6.	Regional envelope for diversification measure against cohesion yardsticks (Pearson correlations)
Table 5.7.	"Fair" regional envelopes for agricultural investment support schemes and its equity
Table 5.8.	Regional envelope for agricultural investment measure in SAPARD: descriptive statistics
Table 5.9.	Regional envelope for diversification measure against cohesion yardsticks (Pearson correlations)
Table 5.10.	Regional absorption of rural infrastructure schemes (Pearson correlations)
Table 5.11.	Regional absorption of ARMA rural diversification schemes (Pearson correlations)
Table 5.12.	Regional absorption of agricultural investment schemes (Pearson correlations)
Table 6.1.	Theoretical model for policy analysis (short-term) applicable to Polish EU rural development policy process
Table 6.2.	Policy inputs and their influence of regionalisation of Polish EU rural development policy
Table 6.3.	Features of policy bargaining and their influence on regionalisation (summary)
Table 6.4.	Intermediate policy outputs : Regionalisation* of FEOGA Guidance in Poland
Table 7.1.	Integrated framework for analysis of rural policy and process: summary
Table 7.2.	Integrated framework for analysis of rural policy and process: applied to regionalisation
Table 7.3.	Empirical results: core rationalities and their relative strength regionalisation of Polish EU structural and rural policies
Table 7.4.	Areas for further research on regionalisation of Polish rural development policies

Maps

- Map 3.1. Location of Poland in Europe
- Map 3.2. Administrative division of Poland (as of 1999)
- Map 3.3. Central Europe in 1772 (before the partitions of Poland)
- Map 3.4. Central Europe in 1795 (after the partitions of Poland)
- Map 3.5. Central Europe in 1920
- Map 3.6. Central Europe in 2000
- Map 3.7. Administrative division of Poland (1957-1998)
- Map 3.8. Administrative division of Poland (1975-1998)
(in relation to the present regional borders)

Previous geographical studies of Polish rural areas:

- Map 3.9. Division by Rosner (ed) (1999)
- Map 3.10. Division by Michna (2001)
- Map 3.11. Division for rural policy (MARD: 1999)
- Map 3.12. Division by Heller (2000)

Abstract

This thesis is concerned with the regional dimensions of Polish EU rural development policies. Two major streams in this research, theoretical and practical, correspond to the core intertwined research questions:

- What (if any) policy regionalisation is desirable for EU rural policies in Poland?
- How should the rural development process be conceptualised with what implications for regionalisation of policy?

This research has a direct policy linkage as under the EC legislation Poland has a possibility to implement rural development programmes at “an appropriate geographical level”. This thesis explores whether the region (at NUTS 2 level) is such an appropriate level.

The thesis is structured around four potential justifications for policy regionalisation in Poland:

- 1) regionally differentiated rural development patterns across Polish regions;
- 2) heterogeneity of regional preferences for rural policies and their legitimacy;
- 3) territorial fairness and compliance with regional cohesion objectives, safeguarded by specific regionally set policy budgets;
- 4) political feasibility.

In conclusion, a synthetic framework is proposed, based on a complex system approach.

The thesis sprang from a participant observation experience in setting Polish EU pre-accession policies. It adopts a multidisciplinary perspective with elements from development economics, economic geography, political studies, regional science, sociolinguistics, and policy evaluation leading to a complex system analysis. A multiplicity of data has been mobilized: participant observation, secondary statistical data, past policy data as well as a series of semi-structured interviews.

The empirical analysis suggests there is little evidence of the relevance of NUTS 2 level for rural policy making in the Polish EU context based on the propositions examined

here. However, rural policy regionalisation can be more adequately conceptualized as a process, not as a policy desideratum. The forces driving policy regionalisation in Poland are weakly developed at present, but predicted to gain in force in longer term, implying that regionalised policies may become more relevant in the future.

The theoretical strand of the thesis leads to a formulation of an integrated framework for rural policy analysis. The model recognizes that the policy making has a multiple rationality, namely actors perform a multiplicity of actions in economic, political and cognitive paradigms when setting and implementing policy, embedded in, and feeding back to fundamental resource capacities. It is argued that such a conceptualization has significant policy consequences, putting the multi-rational policy process rather than purely policy outputs at the centre of policy advice and analysis.

Executive summary

1. Research background and structure

This research has been concerned with the relevance of regions (NUTS 2) for Polish EU rural development policy. Two major streams in this research, theoretical and practical, correspond to the core research questions:

- What (if any) policy regionalisation is appropriate for EU rural policies in Poland?
- How can the rural development process and policy be conceptualized, including their regionalisation?

The EU legislation gives the member states an option to implement their rural development programme on “an appropriate geographical level”. The definition of “an appropriate geographical level” in Poland is interpreted as the voivodships (NUTS 2) level. In fact, the very emergence of regionalisation on the rural policy agenda relates primarily to the Polish regionalisation reform of 1999. The reform has been undertaken in the strong ideological climate of breaking up the centralist traditions associated with the communist rule, as well as europeanisation. The competence in rural and regional development in Poland, which is a shared, (sometimes interpreted as conflicting) responsibility between the regional and central levels, has led to a discussion of the role of regions in Polish rural development policy making.

2. Four research propositions

A critical appraisal of the decentralization debate (Bardham, 1997; Oates, 1972; Begg, 1997; Donahue, 1997; Rodriguez-Pose, Gill, 2002) has identified four potential justifications for policy regionalisation in Poland:

- 1) Regionally differentiated rural development patterns across Polish regions;
- 2) Heterogeneity of regional preferences for rural policies;
- 3) Territorial fairness and compliance with regional cohesion objectives, safeguarded by specific regionally set policy budgets;
- 4) Political feasibility.

Other potential aspects of policy regionalisation, such as efficiency gains, or transaction costs have been left outside the scope of this thesis for lack of empirical data¹. The examination of the above propositions has structured the present thesis. In conclusion an integrated framework for rural development and policy has been proposed and applied to the question of policy regionalisation.

2.1. The validity of voivodships as units to describe differentiated patterns of rural development in Poland (proposition 1)

In search for a workable analytical framework to explore the first specific research proposition, two main questions have been raised: what is (rural) development, and how it is progressing in space.

A brief review of (rural) development literature suggests the development prospects are a function of both material and virtual resources. The range of views on factors facilitating the process demonstrates an evolution from original positions on capital (mainly physical) accumulation (e.g. Solow, 1957; Lewis, 1955) towards some "softer" explanations of "entrepreneurship" (Hagen, 1962), trade opportunities (Krueger, 1993) and capitalisation of competitive advantages (Porter, 1990; Kay 1993), and then, to the current focus on innovation and knowledge (Romer, 1986); and institutions (North, 1998). In case of rural development, an assumption that the prospects for rural development are a function of rural resources is debated. Some researchers (e.g. Slee, 1994) argue that since urban areas are primary determinants of agricultural demand, the process is exogenously determined (Slee, 1994), neglecting local impulses or values. Others, e.g. Bryden (1998), link the rural development prospects to a unique mix of immobile local resources as social, environmental and cultural capital. A more inclusive view recognizes the importance of both endogenous and exogenous factors (Lowe et al., 1995).

¹ This original intention of this thesis (at the research proposal stage in early 2000) was to provide a comparison between the centralised SAPARD programme and (partially) decentralised World Bank Rural Development Programme. Yet, SAPARD had been considerably delayed and was only launched in mid 2002 so data on implementation are too scarce for sensible analysis.

The question of how to fit a complex dynamics of development processes into the meaningful spatial categories appears even more contestable (Marsden, 1995; Weesp: 1999). A few conceptual categories are offered by literature to describe homogenous spatial associations (Murdoch, 1997), three of which are pertinent to our proposition.

The first fundamental type of spatial differentiation is the rural versus the urban. Although questioned by some (e.g. Saraceno, 1994; Murdoch and Pratt, 1993), because of close linkages with urban space and internal differentiation (arguably better reflected in the term "local"), the term "rural" still remains a key element of our spatial vocabulary. Spatial economy models (Leon, 1999) emphasize the added value of "rural" beyond a simple descriptive term, as an outcome of agents' search for optimum location in relation to the center where activities further away from the center are likely to bring lower rents, require less economics of scale and scope and feature lower levels of employment, thus corresponding to the peripheral. The second relevant spatial differentiation is that between regions, discussed in terms of a classic convergence and divergence debate, useful for its identification of spatial-economic forces such as diminishing capital returns, knowledge transfer, negative externalities of congestion driving convergence (see, e.g. Barro and Sala-i-Martin, 1991, 1992), competing with forces of divergence such as economies of scale and scope, trade specialisation or negative causation (Myrdal, 1957; Krugman, 1991). The third is internal differentiation of rural areas, using various criteria and various spatial scales. A sample of rural typologies has been reviewed: some based on resources (Bauko, Gurzo, 2001), some referring to the underlying development models (Esposti and Sotte, 2002, Storti, 2000; Ceccato, Persson, 2002; Terluin, 2000; Marsden, 1995; Henry et al, 2001), some for policy classifications (CEC: 1997; OECD: 1994). The classifications use varied scales such as regions (OECD: 1994), microregions (Bauko, Gurzo, 2001), or local labour system (Storti, 2000; Ceccato, Persson, 2002).

Based on these theoretical considerations a working framework has been developed to test our basic proposition about the appropriateness of the voivodship to describe the spatial variations of rural development in Poland. Firstly, we assume that the prospects

of rural development of a given rural area relates to its overall resource base as well as exogenous demand factors. The total rural resource base, made up of physical, human, natural, social capital and spatial capital, is visualized on an operational resource pentagon. Thus, the main variables along which we analyze rural spatial heterogeneity relate to the resource pentagon, as well as to the regional economy (cf. Figure 2.2.). This basic mental construct has permitted a more structured approach to economic geographical comparisons, albeit facing problems with measurability, with the relative weights of various capital types and complementarities between them still pending. In addition, the essential dynamic component is missing from this construct, as, for example, Hirschman et al (1969) note that resources (at least those put in productive use) are not fixed. Secondly, we argue that the Polish voivodships are a valuable descriptor of rural conditions if their resource pentagons are internally similar and externally different. Of course the notions of similarity and difference are subjective, so any meaningful analysis needs to refer to other levels of spatial differentiation.

Based on this theoretical framework, a multilevel geographical analysis of resource base in Poland has been performed to validate the notion of voivodship in describing resource heterogeneity (Chapter 3). Three main dimensions of spatial differentiations have been examined: inequality between rural and urban resources and economic structures; variation of rural resources and structures between voivodships and homogeneity of rural structures within regions.

The analysis has revealed a multiple level of spatial variation in Polish development geography but has rejected the proposition of the relative validity of Polish voivodships as an internally homogenous and externally heterogeneous spatial grouping of resources. It has been concluded that the key patterns of resource and structure inequality lie between rural and urban areas. Within the rural areas, it is the meta-regions which capture the principal differences in the resource pentagon. Rural regions (NUTS 2) feature considerable internal differentiation in terms of rurality patterns.

The key inequality lies between the rural and urban levels. The analysis has demonstrated a considerable gap between rural and urban incomes (on average 50%)

underpinned by poorer economic structures, considerably less business density, higher levels of unemployment and underemployment, poorer levels of human capital, and weaker access to financial capital. Polish rural areas have functioned as a buffer to cushion transition shocks, mostly by absorbing redundant labour in the farming sector. Although after 1989, the capital has tended to flow to urban areas following economies of scale, only limited spill-overs of urban growth have transferred to rural areas

The rural resource structures between Polish voivodships are not significantly different from each other: the main patterns of difference fall between meta-regions. The rural resource index calculated by means of Principal Component Analysis based on the available variables relating to the rural resource structures, indicates a variation based on four meta-regions. They are based on the North-West versus South-East axis: North-Western region (Zachodniopomorskie, Warminsko-Mazurskie, Lubuskie, Dolnoslaskie and Pomorskie); Central-Western region (Opolskie, Wielkopolskie, Kujawsko-Pomorskie and Slaskie), Central-Eastern region (Mazowieckie, Lodzkie, Podlaskie) and South-Eastern region (Lubelskie, Podkarpackie, Swietokrzyskie and Malopolskie). The three meta regions roughly reflect the historic divisions between Russian, Prussian and Austrian empires in the 19th century and the territorial shifts after the 1945. However, the variables measured with this classification are clearly agriculturally biased. The complementary classification, based exclusively on business development, reveals the new spatial rural dynamics on the West-East axis, driven by the endowment of spatial capital, in particular the proximity of the Western border and metropolitan areas.

Polish rural voivodships display considerable internal differentiation, although the ANOVA analysis shows that the patterns of variations within regions are significantly smaller than across regions. The cluster analysis of Polish ruralities has resulted in the typology of five major ruralities, underpinned by three major factors: population and farm patterns; business development; conditions for agricultural production. The rural profiles of regions indicate that Polish voivodships tend to be internally differentiated in terms of their rurality structure. 15 Polish regions have at least two different types of rurality. 9 mid-resource ranking regions (Dolnoslaskie, Opolskie, Pomorskie, Wielkopolskie, Slaskie,

Kujawsko-Pomorskie, Mazowieckie and Lodzkie) feature as many as five different rurality types.

Based on this evidence, the first proposition about the relative validity of voivodships (NUTS 2) to describe rural heterogeneity is rejected.

2.2. Regional differentiation of preferences for rural development policy instruments (proposition 2)

The second specific research proposition has been explored using participant observation and experience of conducting the regional consultation process for the SAPARD programme in 1999, crosschecked for consistency with the regional development strategies produced by the regional authorities in 2000-2001.

The conceptual framework for examining regional preferences for rural policies has been formed inductively. It has been argued that, rather than taking them at face value, preferences need to be assessed for their legitimacy and validity.

The theoretical discussion of collective preference formation suggests that the outcome is sensitive to changes in the aggregation methods (Doel and Velthoven, 1993; May, 1954; McLean. 1987; Gerber, Jackson, 1993). For this reason, the legitimacy of regional governance (relative to the centre) is not to be treated as tautological but conditional on territorial identities (Dardanelli, 1998; Keating, 1999; Rodriguez-Pose, Gill, 2002; Les Galle, 1998; Paasi, 2002; Teune, 1992; Raagma, 1986) and participation (Dryzek, 2002), which amounts to what Keating (1998) called "bottom-up" regionalism. Discourse analysis has been used to examine regional identities (as revealed in regional development strategy documents).

The validity of preferences relate to their internal consistency, revealed through these two data sources, as well as selectiveness. The relevant literature indicates that collective preferences often suffer from intransitivity and fail to appreciate the opportunity costs (Doel and Velthoven, 1993; May, 1954; McLean. 1987; Gerber, Jackson, 1993).

The empirical analysis has rejected the proposition of regionally differentiating rural policy preferences on the grounds of weak regional heterogeneity, legitimacy and validity. Preferences revealed by both the regional strategies and the SAPARD exercise show limited regional variation, but high inconsistency. Most preferences for the main policy measures tend to be relatively homogenous (such as preference for measures such as investment in agricultural holdings, marketing and processing measures, rural infrastructure, diversification of economic activities). Spatially selective preferences, such as development of training, village renewal, and agri-environmental measures, as well as water management, afforestation and land reparation, have proven to be highly inconsistent. In addition, the validity of regional rural preferences can be disputed for a number of reasons. The first is inconsistency demonstrated between the two data sources. Secondly, the strategic texts have demonstrated that Polish regions can draw little legitimacy from historically formed identities. Strikingly, only two regions (Wielkopolskie and Malopolskie) use the discursive “we” in their rhetoric. In addition, despite relatively great efforts and attention in the strategies devoted to describing intraregional policy zones, only in the Wielkopolskie strategy does the differentiation translate into intraregional spatially selective policy instruments for rural areas. Finally, the preferences demonstrate little selectivity: with no opportunity cost indication, they signal policy “wants” rather than effective demands and choices. We have concluded that the strategies of Polish regions in 2000 are best understood as examples of “communicative governance” (Healey, 1993) rather than as a manifestation of collective choice practices. On balance, the second proposition of genuinely heterogeneous preferences for policy action between regions has also been rejected.

2.3: Budget regionalisation as a measure to ensure territorial fairness and contribution to regional cohesion objectives (proposition 3)

The third specific research proposition has examined whether budget regionalisation assists in ensuring territorial fairness and contribution to regional cohesion objectives relative to horizontal funding arrangements.

This proposition has been examined based on the empirical data of setting the regional allocations for the SAPARD programme in comparison to the regional distribution of a horizontal national scheme.

The search for a theoretical framework to interpret the questions of territorial distributions raised questions of territorial cohesion and fairness. It has been recognized that EU concept of cohesion is ambiguous in both its reference (to the member state level or to regions) (Rynck, McAleavey, 2001) and its measurements of cohesion deficits (e.g. Scott, 1995). Indeed, there are arguments that the regional targeting of the cohesion policy appears to concern only the ERDF, since the rural development programmes are applicable horizontally across the EU rural areas with no specific regional targeting (Saraceno, 2002). Although the concept is trapped in an uneasy positioning in the neo-liberal models of EU capitalism (Hooghe, 1998; Fainstein, 2001), it does nonetheless raise the issue of territorial fairness. However, the distribution of rural development (investment) policies is likely to exhibit biases, as noted in the fiscal federalism literature on the distribution of conditional matching grants and economics of rural credits. Seen primarily as a compensatory mechanism for larger intergovernmental deals (Leonardi, 1995), the concept of cohesion has been realistically defined as political tolerance for disparities (Begg, 1995) rather than as a specific tangible target.

The empirical focus has been divided into two parts. The first part examines the "fairness" of regional funding allocations for rural policies, exemplified by the politically legitimized SAPARD allocations. It identifies how these have been defined and asks whether they are in line with the EU cohesion objectives measured at the regional level, namely if regions with cohesion deficit tend to have a relatively higher allocation. The second part explores the question of whether patterns of rural development policy absorption are regionally biased, compared with those programmes where regional funding allocations are absent.

It has been shown that the regional "fairness" envelope (as defined by the SAPARD programme) displays mixed compliance with the regional cohesion objectives. Funding

allocations for territorial measures (such as infrastructure and rural diversification) are broadly in line with the EU cohesion objectives, whilst funding benchmarks for a sectoral measure (investment in agricultural holdings) are inconsistent with the regional cohesion targets.

However, if SAPARD envelopes are treated as a benchmark for “fairness”, their absence need not necessarily lead to biased absorption imbalances at the regional level. Limited data from a single past national rural scheme (which did not have any regional ring-fenced allocation) indicates that the patterns of regional distribution of agricultural investment support broadly matches the SAPARD regional allocation; patterns of absorption for infrastructure grants have favoured poorer regions (relative to the benchmarks). However, the absorption of rural diversification funding has been biased towards more wealthy regions, according to this comparison.

Whether the “fair” regional budgetary arrangements serve as an effective equity mechanism depends on policy demand. The equalization mechanism is only triggered when the applications exceed the available budget. Even then, territorial “fairness” at a higher level does not necessarily result in improved equity at lower levels. Intraregional variation of the resource base among Polish voivodships might suggest that this lack of correspondence is generally the case.

Based on the mobilized empirical data and theoretical considerations, the third proposition has been rejected.

2.4. Feasibility of regionalisation in policy process (proposition 4)

The fourth proposition has explored whether the political process of setting Polish EU rural development policy permits (even encourages) its regionalisation.

The analysis has drawn upon participant observation in setting up the SAPARD programme in Poland, supplemented by a series of semi-structured interviews held with selected major EU, central and regional policy actors in 2002.

Seeking a working theoretical framework to fit the specific policy account, a review of major Western policy frameworks has identified that the key models of: public choice; policy networks; specific EU policy frameworks, such as the notion of europeanisation, as best suited to the participant experience and Polish policy context. An eclectic analysis framework based on Moyer and Josling (1990) has been applied as a storyline for the policy account. The framework assumes that the policy outputs depend on policy inputs and the bargaining process. The key policy inputs include past policy precedents, particular interests and motivations of key policy actors, and cohesiveness of the policy network. On the bargaining side, emphasis is placed on the issues of power and access of network members to the policy process.

The analysis has argued that the room for policy regionalisation is very limited, both for policy inputs and bargaining rules. The centralist network, consisting of the key policy actors (the Polish Ministry of Agriculture – MARD, and the Directorate Agriculture of the EU Commission – DG AGRI) and secondary network members (such as the Polish central agencies for agricultural and rural policies, namely ARMA and FAPA) appear more cohesive than the corresponding and loosely connected regionalist framework, which mostly consists of the secondary network actors (the Polish Ministry of Economy and the Directorate for Regional Development of the EU Commission), working closely with the regions (Marshall Offices), albeit for regional, not rural matters.

Members of the centralist networks, notably MARD and DG AGRI, exhibit a clear technocratic and central logic, with little demand for territorial participation or legitimization. DG AGRI, a major partner in the centralistic network, has a primary interest in simplicity, financial accountability and the compliance of the programme with the *acquis*, especially with the views of the Member States. Although, strictly speaking regionally-neutral, the Commission's emphasis on "simplicity", financial accountability and transparency of procedures tends to favour central solutions. MARD clearly talks about vague localist sentiments (that can be traced back to the ideology of Polish regionalisation reform), but also clearly demonstrates practical concerns to keep its

power linkages with the central agencies, and ensure inter-organisational coordination for a smooth feedback to Brussels. ARMA has strongly protected its bureaucratic powers in the SAPARD programme. It has only belatedly admitted of a possibility for delegating limited functions to regions, for implementation of the evolving common agricultural policy, though has done so unwillingly. However, to date the rural divisions of regional authorities have exhibited virtually no efforts to establish contacts with the MARD.

The regional network appears much looser. Headed by the Ministry of Economy, in conjunction with the DG REGIO, the interaction relates mainly to the regional policy, with only loose contacts with rural measures, perceived as special and technically complex. Though the working relations between regions and the center appear strongly established, they are underpinned by a lack of trust (especially on political as opposed to bureaucratic levels). The regions, in particular the Marshall Offices, are active in the new policy setting, in particular in the development of the national development plan and the regional plans, but their role in rural planning and policy development is insignificant. Willing to accept risk-free templates, the rural divisions do not seek to input their unique preferences (if any) into the policy process.

The bargaining takes place primarily on a technocratic rather than political level, and is strongly conditioned by the past policy precedents, especially from the centralized SAPARD programme. In line with Europeanisation framework, Poland is correctly portrayed as a policy taker, rather than a setter. The Polish policy-making reflects the primarily central sectoral logic in the EU rural policy making (Saraceno, 2002; Grabbe, 2000; Depoele, 2000). Issues of intra-organisational cooperation, aggregated by the imperfect information flow and slow policy learning, make access to rural regional offices for policy making even more difficult. Under these circumstances, the actual policy outcome is essentially centralistic, although some policies are delegated to the regions as "a training field".

The analysis of empirical data based on the theoretical insights has concluded that there is a limited scope for regionalisation of Polish EU rural development policies from a

political feasibility point of view.

3. Towards an integrated framework for rural policy (incl. its regionalisation)

These specific findings remain somewhat disconnected. To remedy this, an integrated policy analysis framework has been elaborated (cf. Figure 7.1.). The model recognizes that the policy-making has a multiple rationality, namely actors perform a multiplicity of actions and roles when setting and implementing policy, both embedded in and feeding back to fundamental resource capacities. The principal dimensions in which policy is agreed and implemented are indentified as being: economic; political; cognitive. Each dimension of policy making can be researched, based on the data and techniques associated with it. The linkages between policy paradigms are as important for understanding these complex systems as are the processes and mechanisms within each paradigm. Each paradigm is subject to endogenous and exogenous pressures for change. The change in each paradigm takes time and effort, and is mutually inter-dependent.

The application of the integrated framework to the rural policy regionalisation is illustrated in Table 7.3. (Chapter 7).

4. Policy recommendations

4.1. General

1. Policy making needs to be seen as an art of complexity with multiple rationalities happening in the economic, political and cognitive paradigms, based upon and feeding back to the fundamental underlying resource capacities. Thus, a single minded managerial perspective with associated exclusively economic policy prescriptions does not suffice, or else is unlikely to meet the test of legitimacy. In fact, at present social science is unable to provide optimum policy prescriptions to contribute to the development process. In a most fundamental sense, the policy process through which policies are selected, appraised and revised are more important than the policy outputs.

2. Regionalisation in Poland is a strongly value-laden term associated with the processes of regaining democracy and with europeanisation.

However, rural policy regionalisation can be more adequately conceptualized as a process, not as a policy desideratum. The forces driving policy regionalisation in Poland are weakly developed at present, but are predicted to gain in force in longer term. At present, the major forces demanding policy regionalisation feature in a cognitive dimension, a common belief that regionalisation enhances democracy and europeanisation. Nonetheless, the regional logic is only weakly legitimized by questionable regional identities in Poland. In the political paradigm, the regional actors appear still weak due to patriarchal traditions and lack of authority, clearly a legacy of central planning traditions. Early accession programming is also constrained by institutional capacities, encouraging use of existing bureaucratic templates, strict coordination and risk avoidance. In the economic zone, the horizontal differences between rural and urban areas are larger than regional differences, suggesting that a horizontal approach is more appropriate at present.

In the longer run, the demands for rural policy regionalisation (or at least territorialisation) are likely to be reinforced in all of the economic, political and cognitive spheres. On the political level, more demands for more participative governance, as opposed to government, are expected, following a trend already apparent in Western Europe. Also a slow transition of EU rural policies is expected towards territorial levels. On the economic level, specific and distinctive spatial capital is expected to become more important and valuable as the economy develops, bringing demands for "village as a product" with natural, cultural and social added-value. Non-agricultural rural development is also linked to broader regional development, especially small towns. On the cognitive level, globalisation is said to facilitate the emergence of "defensive" identities and spatial affinities.

4.2. Specific policy recommendations

1. No clear pattern of differentiated rural resource endowment can be linked to the current administrative boundaries. Indeed, Polish rural areas exhibit patterns of homogeneity around bigger meta-regions. Internal differentiation of resources within voivodships also remains significant. Variation in resource endowments is likely to translate into territorially differentiated policy absorption patterns. Indeed, the five types of ruralities identified here can constitute a useful benchmark for future evaluations and case studies.

In a nutshell, the top-down map of rural resources is not sufficiently detailed to identify patterns of specificity, especially of cultural, natural and social capitals. No doubt, area based policy packages are useful as complementary measures, but they are best defined in a bottom up way at a level lower than NUTS 2.

2. No clear regional pattern of preferences for rural development has been found in this analysis. Indeed, the preferences for major policy instruments appear horizontal and univocal, whilst those that do appear to be regionally selective are also inconsistent. Polish regional governance processes are also only weakly legitimized by regional identities, using the participative and consultative modes instead.

Indeed, regional policy differentiation is more likely to include differentiated funding allocations between measures (reflecting their differentiated importance) rather than the choice of measures per se.

3. The regionalisation of the budget for rural policies has been found to be of a different order to regional cohesion. The allocation of sectoral measures (such as investments in agricultural holdings) follows the principle of assessing effective demands for grants. In contrast, the allocation of funding for territorial measures (such as infrastructure or rural diversification) is in line with the regional cohesion objectives. It is concluded that, whilst regional budgetary envelopes (as

per SAPARD) have a limited usefulness as territorial equity mechanisms, they can be a useful territorial benchmark for policy evaluation.

4. Finally, the analysis of Polish-EU rural policy arena has concluded that Poland is presently merely a taker (responder or copier) of EU centralized rural policies, and Polish regions have limited capacities or incentives for active participation in the process.

Indeed, though a territorial angle in rural development policy appears uncontestable, there is little evidence to support the relevance of the regional scale for rural policy making in Poland. Indeed, the menu approach adopted at the central level appears adequate to provide the local policy clients with the choices to cater for their needs and integrate them with local strategies at present.

However, there is also a need to encourage and facilitate the development of local participation and involvement in the policy process, which implies that building regional and local capacity to develop and evolve future policies is an important element in the design and implementation of present policies.

This thesis did not write itself, but wanted to be written
B.

Acknowledgements

This research started long before I became a researcher. Having grown up behind the Iron Curtain I have always wondered what was on the other side. When the wall went down the curiosity did not. In 1996 I started to deal with the European integration project. My job required translation not of just words, but most importantly trust and ideas between the two sides. The need for better understanding was especially acute when I started to deal with the SAPARD Programme. Differences in background, not least related to different academic ideas, repeatedly led to misunderstandings and costly delays. One day I decided to leave my challenging, yet familiar desk of a bureaucrat in the Polish ministry building to venture into the unknown and find *the* answers.

The research experience has turned out to be incomparable to anything I have done before. It consisted in abandoning the perceptions I brought with me, then a long walking in the total darkness only to arrive at a clearer spot. Albeit knowing that the clarity is relative and the new questions are waiting round the corner.

Many people have given me support and light and the good word on the way. First of all, I would like to mention here my father, who believed in me more than I did. His spiritual support has been with me every day. So have been my mother's prayers. I am also grateful to my sister for her patience in dealing with many little matters one has to have done when living abroad. I am also grateful to Bartek for his loving presence and support during months I spent in a small local life glued to the computer in Utrecht without which this research would probably never have been completed.

Special gratitude is due to my supervisor, Prof. David Harvey for his faith and wisdom. He has let me wonder around myself, but has always been available to me when I

needed a merit support, or merely, an ordinary cheer-up. His insightful and encouraging comments kept me moving forward and trying to extend my capacities every day.

This work has also benefited from numerous discussions with experts from many disciplines. Dr. Graham Dalton has urged me to “keep going” in his daily emails, but also to ask simple “farmers” questions. Prof. Philip Lowe from Centre of Rural Economy, Newcastle University, has shown me the “homo politicus” concept and invited me to go on a deeper intellectual journey. Dr. Ness from Newcastle has been very patient in explaining to me the *caveats* of statistics and has enlightened me in the complexities of statistical analysis. Prof. John Tomaney (Centre of Urban and Regional Development, Newcastle University) has provided me with stimulating ideas on regions as a new hope, yet not a success. I have also learnt a great deal from participants of a seminar at the European Policy Centre, Strathclyde University in Glasgow, who actively responded to my presentation. In addition I appreciate Dr. Elena Saraceno for a frank discussion in Brussels (and previously at Arkleton seminars) about the truth and rhetoric of EU rural policies. Prof. Patsy Healey from Newcastle University has shared with me a linguistic approach to policy analysis. Maria Ostaszewska kindly shared with me her insights from her research at the European Institute in Florence. Finally, thanks are due to Dr. Ida Terluin, from LEI Institute in the Hague, “my regional soulmate”, whom I met towards the end of this study though came across her research much earlier. In addition, I would like to acknowledge contribution of participants of AgriCultural Convention organized by the European Parliament in Brussels in June 2002, the conference of Regional Studies Association in Aix-en-Provence (May 2002) as well as CURDS conference in Newcastle in September 2002, during which parts of this research were presented. Several people have helped me gather the data, especially statistics. I would like to mention here: Dr. Andrzej Halasiewicz (FAPA), Anna Andrychowicz (FAPA), Bozenna Andrychowicz (ARMA), Dr. Beata Piecek (Institute of Rural Development, IRWiR-PAN), Karol Olejniczak (Warsaw University) and Magdalena Nowicka (MARD).

I am also thankful to all officials from Warsaw, regional offices in Szczecin and from Brussels for kindly offering me their time and attention and openly sharing with me their

views and opinions. Also a lot of this research draws upon my experience of working with the Economic Analysis Unit (SAEPR – FAPA) and with the Department of Pre-Accession Aid and Structural Funds (in the Ministry of Agriculture and Rural Development in Warsaw). This research would not have emerged but for the years we have spent together trying to understand and implement EU rural concepts and policies. In particular, I have benefited from comments from Dr. Waldemar Guba (SAEPR) and Magdalena Nowicka (MARD). My very special thanks are due to Mr. Alan Wilkinson, Head of the SAPARD Unit in the DG Agriculture for helping me find my way around Brussels and passing his comments to me, and simply giving his precious time despite being awfully busy.

Newcastle has provided a very special atmosphere to study. An example of a region with very strong identity and mobilization has been a living motivation for regional research. My fellow students have taught me a lot when we were sharing the ups and downs of Ph.D. research. In particular, I would like to thank Sawako Shigeto (from Japan), Eric Ruto (from Kenya) and Barbara Senkwe (from Zambia) for their presence in my research life in Newcastle in 2001-2002.

Last but not least I would like to acknowledge the importance of organizational support and financial arrangements. With research would not be possible without Director of FAPA, Mr. Wojciech Pomajda, and Head of SAEPR, Mr. Jerzy Dabrowski, who granted me a long sabbatical leave, and showed understanding to me extending it a few times. Dr. Mirosław Drygas, Director of Pre-Accession Aid and Structural Funds in MARD provided me with his on-going encouragement and support. And, of course, the financial contribution of the EU Phare Ace Programme is gratefully acknowledged.

Given multiple support and trust I have received from such a big group of people I hope the result is not disappointing, and that, more importantly, I will now be able to contribute more effectively to the process of EU enlargement, and the rural and regional policies in particular.

Utrecht, April 2003

Chapter 1

Research rationale, context, questions, and methodology

1.1. Objectives and outline

This thesis is about regional dimensions of Polish EU rural development policy, notably FEOGA-Guidance programmes. The original motivation for undertaking this study comes from my participant experience in setting up the pre-accession SAPARD programme², a direct predecessor of FEOGA rural programme, and in particular from coordinating regional consultations. This research has been conducted since 2000, largely in parallel to the policy process of preparing Polish FEOGA programme, with a view to highlighting the potential contribution of social science to real policy decisions.

Chapter 1 explains the context, questions and basic methodology for this thesis as well as providing a roadmap of the whole study. It is organized as follows. Section 1.2. clarifies the research rationale in the context of Polish enlargement process, and leads to Section 1.3. which explains the policy context, and then to Section 1.4. which lists the main research questions. Section 1.5. contains a brief discussion of the regionalisation and decentralization debate, on the basis of which specific research propositions are defined. These specific propositions constitute the core ordering logic for the whole thesis. Section 1.6. deals with the methodological approach. Section 1.7. outlines the key contextual situation of Polish regionalisation reform. For reasons of clarity, a new more specific classification of policy regionalisation is also proposed in this section. The final Section 1.8. provides a map of the thesis as a whole.

² SAPARD (special accession assistance programme for agricultural and rural development) is a fund of 520 million EUR per year over the period 2000-2006 among the ten applicant countries. The Programme is intended to facilitate the implementation of the EU *acquis* relating to the Common Agricultural Policy and associated policies, and to solve priority and specific problems for the sustainable adjustment and development of the agricultural sector and rural areas in the applicant countries. The programme, intended to start in January 2000, was only finally launched in Poland on 3 July 2002.

1.2. Research motivation: rooted in policy practice

The origin of this work lies in my experience as a policy practitioner in Poland, which generated a need for a more informed basis for policy decisions for EU co-financed structural policies in agriculture and rural development in Poland. This experience also provided invaluable insights and knowledge of the actual policy process, through genuine participant observation and practice. Since 1996 I have been involved in Polish EU accession preparations, linked with the Ministry of Agriculture in Warsaw, particularly with the structural policies. In 1998-2001 I worked as the coordinating expert for the Polish SAPARD Programme: a model for future EC structural programmes in agriculture and rural development. In 1999, concurrently with the Polish decentralization reforms, the dilemma of how to regionalize the SAPARD programme demanded resolution. Despite “localist sentiments” (Keating, 1998) amongst the majority of Polish policy actors, however, the policy process (driven primarily by the EU actors) produced a heavily centralized programme (Lisztwan and Harvey: 2002). This outcome encountered much criticism in political and academic circles as well as the media in Poland, of which voices the following is representative:

Regretfully once again an idea that “the center knows better” and can coordinate various policies, has won. This is a wrong idea... We shall all pay high price: the regional authorities will learn responsible regional policy slower and the overall ability to face global and integration pressures, as well as reduced national competitiveness will weaken. This is a shame as our country is poor, and needs to catch up with the more developed states. We should have chosen the most efficient governance structure.

J. Szomburg, President of Institute for Market Economy Research (2001)

As Poland is progressing to implementing the full Structural Funds, the question of policy regionalisation demands reappraisal. What can social science offer to help us answer this question?

1.3. EU rural policy in Poland and policy regionalisation choices

As agreed in Copenhagen in December 2002, upon EU accession in 2004, Poland will proceed to implement a set of EU agricultural and rural policies. The main points of the Copenhagen deal include a provision for immediate market opening, reduced direct

payments³, modest production quotas (30% below the requested level), immediate entry to market intervention policy as well as participation in the 2nd Pillar of the CAP and in the Structural Funds, incl. FEOGA-Guidance. The details of the financial deal are presented Table 1.1.

Table 1.1. EU expenditure for Polish agriculture and rural areas in 2004-2006 (Copenhagen agreement)

	Expenditure from the EU budget for Polish agriculture and rural areas (million EUR)			
	2004	2005	2006	2004-2006
Direct payments	620	765	920	2,305
Supplement to direct payments*	215	192	157	564
Market intervention	135	350	377	862
2 nd Pillar of CAP	647	769	887	2,302
FEOGA-Guidance**	166	462	568	1,196
(incl. Polish co-financing)	207	577	711	1,495
Total EU	1,783	2,538	2,908	7,229

*Reallocation from 2nd Pillar of CAP.

** Assuming that 16.9% of the Structural Funds is allocated for FEOGA-Guidance. Note that hereafter FEOGA-Guidance programmes are used interchangeably with rural development policy.

*** For comparative reasons note that in 2002 the total Polish agricultural budget (excl. farmers' pension scheme) amounted to 1,271 million EUR.

Source: SAEPR (2003)

Measures under the 2nd Pillar of the CAP, financed from the FEOGA Guarantee Section include conventional accompanying measures (early retirements, agri-environment and afforestation), and support to Less Favoured Areas (LFA) complemented by special measures such as support to semi-subsistence farms which plan to develop marketable production⁴, and compensation for farmers for investments in hygiene standards, food safety and animal welfare⁵. Rural development measures which could be financed under the FEOGA-Guidance programme include: investments in agricultural holdings, young farmers schemes, training, forestry, improvement in processing and marketing, as well as measures for the adaptation and development of rural areas such as melioration, re-

³ Progressive payments are foreseen 25% in 2004, 30% in 2005 and 35% in 2006. These payments can be topped up by funding reallocated from the 2nd Pillar of the CAP (albeit, cofinanced from Poland) and from the national funding to, respectively, 55%, 60% and 65%.

⁴ At 1250 EUR per annum (for 3-5 years).

⁵ Degressive from 200 EUR per hectare in 2004.

parcelling land, services for farming businesses, marketing of high quality agricultural produce, basic services for rural population, village renewal and protection of rural heritage, diversification of economic activities providing for alternative income, rural water management, infrastructure connected with agriculture, encouraging tourism and crafts, improvement of environment connected with agriculture, forestry and landscape, recovering production potential destroyed as a result of natural disasters and financial engineering. This list provides a total of 27 measures from which to construct a structural rural development policy in Poland.

FEOGA-Guidance policy operates according to the common major principles of the Structural Funds. Consequently, a multi-annual programme is required in Poland as the basis for fund disbursement. In addition, the EU funds need to be co-financed by the Polish public budget as well as by private funding. On-going monitoring as well as periodic evaluation will be required. The additionality rule does not permit simple replacement of national expenditure with Community funding. Programme design and implementation is to be done in partnership between the Commission and Member State, with involvement of local, regional, economic and social partners as appropriate.

Within the framework of EC legislation, Poland needs to take choices, both as regards programming and implementation. On the programming side, the decisions involve the selection of measures⁶, allocation of funds and targeted beneficiaries. Each of these choices has a potential regional dimension: what regionally specific elements to incorporate and how to take such a decision (by the center, by the center with regional consultation or by the regional authority)?

The EC legislation does not define the geographical level for regional involvement. According to Ch. 2, Art. 41 of Rural Development Regulation⁷:

"Rural development plans will be drafted at the most appropriate geographical level. The plans will be prepared by the designated authorities in the Member States, and presented to the European

⁶ The choice of measures is within the competences of the member states, with notable exception of agri-environment (which is obligatory).

⁷ Council Regulation (EC), 1257/1999 *Support to Rural Development by the European Agricultural Guidance and Guarantee Fund (EAGGF)*, (OJ 26.6.1999)

Commission, upon consultation with competent authorities and bodies at the appropriate geographical level”.

However, by raising the issue of “appropriate geographical level”, the legislation puts this question directly on the agenda, rather than leaving it implicit. After all, even without it being explicitly mentioned, the national states have both a prerogative and an obligation to provide for geographical diversity, notwithstanding that the obligation might be avoided by declaring any geographical division inappropriate, in which case the obligation would shift to a requirement that this declaration be substantiated and defended.

This encouragement, if not requirement, for consultation promotes the emergence and activity of local and regional actors. Hooghe (1998) points out that partnership has become a source of political contention as regional and local actors have used EU partnership to challenge their national governments. No precise definition is however given *what* actually constitutes consultation. The actual involvement of regional and other partners is still a reflection of political balance and habits. The geographical partners can either be consulted or directly involved as active participants in the decision making process.

On the implementation side, similar decisions need to be taken. However, some clear guidelines are to be found in the Commission’s proposals already, which seem to put restrictions on the geographical structures:

“Given the short programming periods of three years (2004-2006) ... it would seem logical to try and build to the maximum on the experience gained with and the implementing bodies set up under SAPARD”

(CEC 2002: 12)

In addition, clearly measures implemented from the Guarantee Section (such as afforestation, agri-environment, LFA, setting up producer groups) are to be centralized:

“The implementing bodies for the rural development programmes co-financed from the Guarantee instrument should be the programme management authorities in conjunction with the monitoring committees and the paying agencies set under SAPARD”.

(CEC 2002: 15)

1.4. Research questions: initial ambitions, early disappointments and forced amendments

The original normative question: how *should* policy be regionalized so as to ensure its maximum contribution to economic and social cohesion⁸ in Polish rural areas, arose as much from a rational managerial standpoint⁹ as from the ignorance of the boundaries of social science.

Begun at the start of 2000, this research had an ambition of developing models of rural cohesion, in particular of establishing a link between modes of rural policy regionalisation and their impact on regional economic and social cohesion. Admittedly, the original research objectives were conditional upon availability of policy data and conceptual frameworks. It was hoped that data from centralised SAPARD implementation would give an important basis for evaluating cohesion effects, compared with regionalised programmes such as those implemented under the Rural Development Project financed from the World Bank¹⁰. However, despite its planned launch in the beginning of 2000, SAPARD only started in mid-2002, offering hardly any policy implementation data. But perhaps more importantly, at present, social science has only limited capacity to comprehensively evaluate policy optimality (Minogue, 1983), and offers scarce predictive power (Shapiro, 2002). The system is complex and there are simply too many variables, both on the economic, social, and institutional levels:

“There does not exist an optimal level of decentralization: there exist specific levels, which will be one for every country calculated to hold appropriately in that context. Decentralisation as privatisation will improve economic efficiency to the extent that it seeks truer understanding of political and economic values”.

Bird and Vaillancourt: 1998:361

⁸ As enshrined in the Single European Act, Art. 130 (a) providing for “reducing disparities between various regions and the backwardness of the least favoured regions”.

⁹ New Public Management has been criticized especially for its unattainable goals (see e.g. Minogue, 2000), conflicts between the individual and collective interests, excessive managers’ entrepreneurial spirits and costly mistakes, fragmentation leading to eroded accountability, and deficits of social values underlying the managerial public services.

¹⁰ Rural Development Project (circa 297 million EUR) is an integrated rural development programme implemented in Poland in 2000-2004 with an objective of assisting in rural job creation, mostly outside agriculture. The main components of the programme are microcredits, labour redeployment, education, institution building and rural infrastructure. The programme is implemented in a decentralized way (for more details see: http://www.fapa.com.pl/jkp/context/english/index_en.html).

As the ideal situation is clearly neither available nor commonly acceptable, for lack of both directly suitable methodology and data, life forces the researcher to use the second best strategy. Two broad, intertwined practical and theoretical research questions underpin this thesis:

- What (if any) policy regionalisation is desirable for practical Polish EU rural development policies?
- How can rural development processes and policy be conceptualised, to include regional dimensions?

These main research questions are too general to be examined directly or confronted with the empirical data. Thus, they are examined in an inductive mode, based upon four specific research propositions derived from a theoretical debate on regionalisation and decentralization.

1.5. In search for specific research propositions: the regionalisation and decentralization debates

A mesh of theoretical debates intersects at policy regionalisation questions. Numerous multidisciplinary research agendas are located on the continuum between the normative and descriptive positions. Admittedly, regionalism (or broader decentralization concepts¹¹) cover diverse and complex issues, raising doubts about the analytical value of the notion (Keating, 1997). Three broad schools of thought engaged in the regionalisation debate are considered here, each with a different point of emphasis: new public management, economics (especially fiscal federalism) and new regionalism (with recent regulation theories and new institutionalism).

1.5.1. New public management

On the normative end of the theoretical spectrum lies new public management, with its emphasis on institutional aspects. It views decentralization as a policy imperative leading to more effective participatory management (Osborne, Gaebler, 1992). Accordingly, decentralised institutions are depicted as more flexible than centralised ones, since they

¹¹ The use of terms regionalisation and decentralization are not always coherent. Regionalisation is commonly presented as a decentralizing phenomenon "downwards", often in conjunction with the globalisation pressures, weakening the central state "upwards". For the sake of this thesis, we use the term "regionalisation" as a specific case of decentralization, relating to empowerment of the regional (rather than local) actors (cf. Section 1.6.1. for more details on types of regionalisation).

can respond quickly to changing circumstances and customers' needs (Osborne, Gaebler, 1992; Bardham, 1997). Decentralisation is seen as encouraging a greater diversity in the construction and delivery of policies, thus helping policy makers to discover which policies are likely to be most effective. Decentralised policy management is claimed to generate higher morale, more commitment and greater productivity (Osborne, Gaebler, 1992: 253). Such a good performance is believed to be the result of the close proximity to the citizens (echoing the subsidiarity principle espoused by the European Commission, if not the European Union, at least in its rhetoric if not yet convincingly in its practice):

"The closer government is to its citizens, the more accountable its officials tend to be... Unless there is an important reason to do otherwise, responsibility for addressing problems should lie with the lowest level of government possible"

Osborne, Gaebler, 1992: 277

Furthermore, Bardham (1997) suggests that costs of provision of public services tend to be lower if delivered and implemented at a lower level, since a uniform approach may not solve problems that, by their very nature, differ from one region to another. Moreover, decentralised policy delivery mechanisms are believed to allow for the emergence of local leaders for investment projects and innovative management, and might mobilise a higher contribution from the intended beneficiaries, particularly if they are involved at an early project formulation stage. Bardham argues that at the project selection stage, centralised hierarchies tend to reject too many good projects as not matching central criteria (a type I error). Hence, this approach seems to echo the criticism of SAPARD (cf. Section 1.2. above).

However, the critics of new public theory argue that regions lack political accountability even if they have managerial accountability. Proponents of supra-local control stress the need for policy coordination. This is important, especially if the benefits of a policy spill across jurisdictions. They also claim that competence of central level bureaucrats is likely to be higher, as it is easier to attract qualified people to central bureaucracies than to local levels. Essential asymmetry in information occurs, since central government may not know *what* needs doing, while local government may not know *how* to do it effectively (Prudhomme, 1995). In general, decentralised decision makers are expected

to have an inherent bias towards accepting too many poor projects (a type II error), and of contesting the initial distribution of funds and resources, leading to more corruption (Azfar et al, 2001). Finally, smaller jurisdictions are more in danger of being captured by elites or single party monopolies (Azfar et al, 2001; Keating, 1997).

1.5.2. Economic approaches (incl. fiscal federalism literature)

From a purely economic perspective, a whole body of literature has grown up around intergovernmental relations, in particular finance (for a review see: Begg, 1998). A classic book on public finance (Musgrave, Musgrave, 1965) argues that public goods of national importance should be provided centrally, due to supra-regional benefits or spillover effects between lower level jurisdictions in a federation, whereas all other goods should be provided by the lower levels of the government as decentralization is believed to promote allocative efficiency by allowing greater differentiation of resource allocation. In the same fashion, Oates (1972) has listed three major reasons for decentralization as: heterogeneity of preferences across jurisdiction; information costs, which make it prohibitively costly to provide public goods centrally; and cost effectiveness of local provision due to electoral accountability. To that listing Tiebout (1956) has added the insight that competition between jurisdictions allows people to reveal their preferences better, as they simply can vote with their feet, adding exit to voice among their strategic options.

However, recent economic analysis (Rodriguez-Pose, Gill, 2002) attempts to find a relationship between the degree of decentralization and economic efficiency, and concludes that the expectation that devolution leads to greater efficiency, and facilitates choice can be questioned due to harmful competition and lack of economies of scale, generating not only higher lobbying costs and more clientelism¹², but also potentially more corruption.

¹² Roniger (2002) defines clientelism as asymmetrical, yet mutually beneficial transactions based on differential control by groups or individuals over the access to resources. Patrons may provide selective access to resources they control. In exchange the so-called clients are supposed to provide material or immaterial resources, including their gratitude and loyalty.

1.5.3. New regionalism

In contrast to normative ambitions characterizing new public management and economic approaches, new regionalism holds a view that the decentralized, regionalized governance results not so much from its superiority as from the evolution of economic regimes, which weaken the nation state (Keating, 1997). But the apparent death of the nation state is highly contested. Critiques of new regionalism call for a reappraisal of "new regional ideology" or "local sentiments" (McLeod, 2001; Lovering, 1999, Amin, 1999), in order to clarify its vagueness, and remove the ignorance of macro-economic conditions and lack of academic rigour (Lovering, 1999, Amin, 1999). Nevertheless, with the rise of post-fordist¹³ modes of production, accompanied by increased mobility of capital and labour, as observed by Keating (1998), the functional imperatives of economic restructuring at the global level are said to be breaking down nation-states in favour of trading regional entities:

"we are an interpenetration of territorial policy spaces, as Europe is increasingly regionalized, regions are europeanised, and the state is both regionalized and europeanised"

Keating (1998:183)

New regulation theory assumes that the regional and local modes of government are a consequence of change in production patterns, linked to the forms of geographic and political governance and regulation. As Goldwin, Painter (1996) put it in a nutshell:

"What we are witnessing with the demise of Fordism is the emergence of greater geographical unevenness in the system of regulation. The abandonment of national redistributive strategies has led to a parallel mosaic of differentiated spaces of regulation. These are constituted from a mixture of regulatory and anti-regulatory processes operating at different geographical scales. While the new local governance is part of that mixture, there is little evidence so far that it is capable of helping to sustain economic development and social cohesion in the medium term".

If the region is subject to globalisation pressures, new institutionalists argue that it is the institutional networks that matter most for its responsive capacities. New institutionalists beliefs in participatory decision-making and associative structures as conducive to business, and learning and adjustment (Amin, 1999; Dimaggio and Powell,

¹³ "Post-Fordism (sometimes called "neo-Fordism," "flexible specialization" and "Toyotism") refers to a serious of changes in the production regime and a broader way of life from the late 70s and especially in 90s, such as just-in-time manufacturing, use of computer aided specialization, flexibility, global capital fleeing the national regulation, niche markets and culture of consumption (Amin, 1994).

1991) have resulted in the rapid increase in quasi-public bodies (Lovering, 1999). Regional governance is perceived as essentially a means of regulating conflicts by reinforcing territorial regulation so as to establish “something collective” in increasingly atomized societies, for instance by shared collective memories or more naturally by distance proximity (Les Galles, 1998), which is seen as important for trust building, risk sharing and, ultimately, enterprise encouragement. In contrast, Rhodes (1986) stresses the interdependence and exchange of authority (or legal resources, financial, political legitimacy, informational, and organizational resources) between different levels of governance as the basis for associative structures and networks.

1.5.4. Regionalisation issues in rural development policy and research agendas

In the rural development context, the debate on regionalisation has been noticeably and surprisingly absent. The idea of subsidiarity is emphasised in the Cork Declaration, point 5 (CEC: 1996), though the Declaration has failed to substantially colour the reform of rural development policies.

“Given the diversity of the Union's rural areas, rural development policy must follow the principle of subsidiarity. It must be as decentralised as possible and based on partnership and co-operation between all levels concerned (local, regional, national and European). The emphasis must be on participation and a 'bottom up' approach, which harnesses the creativity and solidarity of rural communities. Rural development must be local and community-driven within a coherent European framework”.

The rural development research agenda thus features a debate around the local – central scale, with the regional level appearing striking by its absence. Although decentralization of policy administration and, within limits, design has been one of the key shifts in governance structures in OECD countries (Pezzini, 2001), little attention has been specifically devoted to the role of regional level in rural governance, notwithstanding an abundant research agenda on local and bottom-up approaches. Parker (1995), dealing with the World Bank decentralization programme, has been an exception. Based on the review of institutional practices, mostly in the developing countries, Parker has developed “a soufflé theory of decentralization”, claiming that

decentralization of agricultural and rural development policies need not be appropriate *per se*, rather it requires the appropriate combination of political, institutional, and fiscal factors to suit specific circumstances and contexts. Hard and fast rules, general propositions or universal recipes are impossible to discern or derive.

1.5.5. Specific research propositions

Despite the abundance of both normative and descriptive decentralization arguments, their application to academically rigorous research remains problematic. A number of propositions from the new public management perspective, such as “more flexible, more democratic, more efficient” decentralized governance suffer from imprecision and difficulties in measurability (Parker, 1995). A key methodological problem for those wishing to provide clear prescriptive propositions is the lack of an appropriate comparator. Genuinely comparable centralist and decentralized policies are simply hard to find. On the other hand, more descriptive new regionalism propositions often fail to be testable, regarded by some critics as mere conjectures, “stories that *might* be true” (Lovering, 1999).

In the light of this general background, the following four research propositions are suggested, on the bases of: rigour (in particular, requirements for testing); data availability and practical policy relevance.

1. The structure of rural resources and structures is heterogeneous across rural regions in Poland, which necessitate policy differentiation between regions.
2. The preferences of regions’ constituents and/or elected representatives for development measures are heterogeneous, so that policy demands are different between regions.
3. Cohesion deficits between regions are sufficient to require regional financial differentiation to achieve more equal distribution of policy benefits across regions, and thus over constituents.
4. The political process of preparing Polish EU rural programmes permits and facilitates regional differentiation, without which no regional policy can be successful, regardless of justification on other grounds.

Examination of each of these specific research propositions should then provide a sound and reasonable basis for synthesizing an answer to the principle and guiding issue addressed in this thesis: the appropriate level and form of regionalisation of agricultural and rural development policies for Poland.

1.6. Research methodology

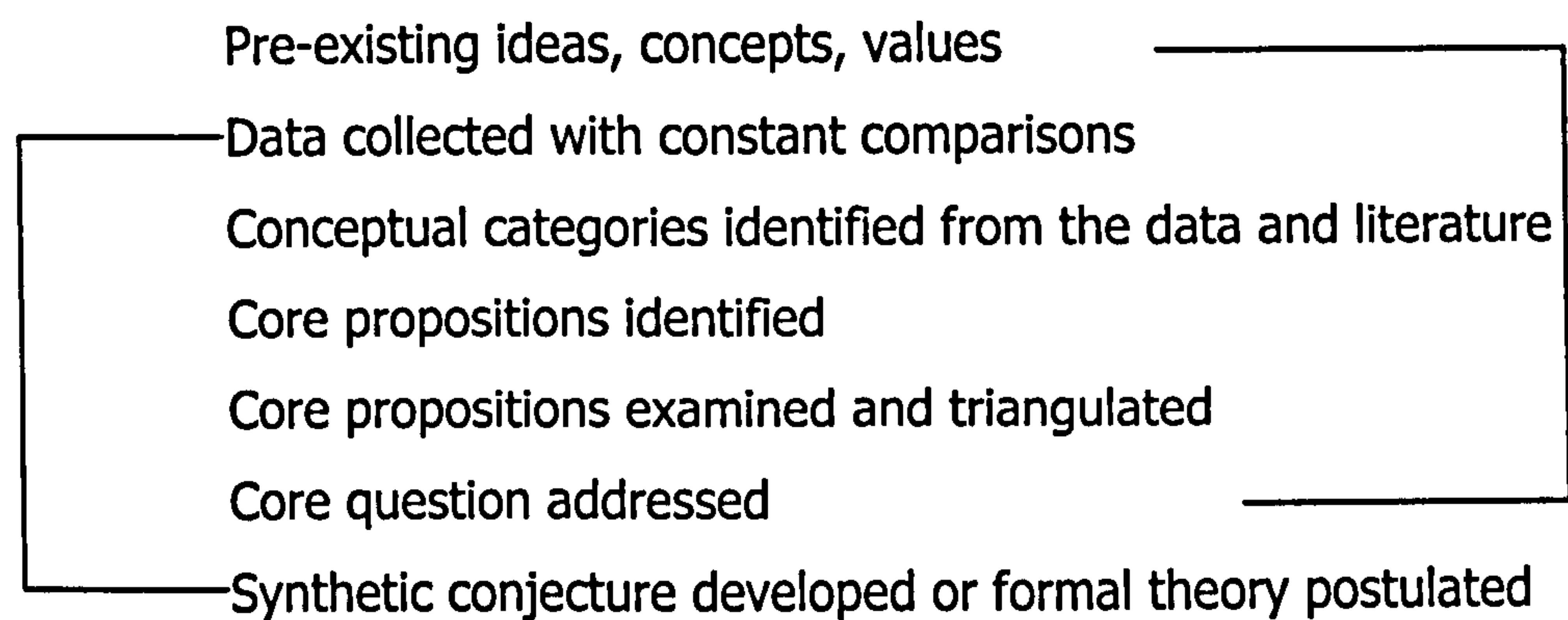
Firstly, this thesis is fundamentally problem driven. The search for an appropriate methodology is part and parcel of this thesis. Though such an approach involves a substantial risk, it is nonetheless trying to avoid a trap of using self-serving construction of problems (as postulated for example by Shapiro, 2002).

Secondly, this thesis is rooted in and has grown from an extended and active participatory experience. For this reason, a grounded approach (Glaser and Strauss, 1967) seems particularly appropriate. It has involved a sequence of experiencing the social interactions, suspending awareness, seeking patterns of understanding, or what Weber called the "interpretive paradigm", by searching the relevant theories and validating them both by reference to participant observation as well as by mutual contrast. This research process has used the grounded theory in an atypical way. Whilst genuinely starting from a theory-free observation, it does in its first stage refer to highlighting a set of relevant theories against which further data is re-judged and an integrated framework developed. In contrast to the original approach advocated by Glaser and Strauss (1967), theories are not dismantled at the beginning of the process only to arrive at the final product, but are used in an intermingled way. The research process, illustrated in Figure 1.1 below, combines qualitative and quantitative methods and can be broadly described as theory triangulation (Denzin 1970, Burgess, 1982). The triangulation with multiple complementary theories and propositions is aimed to provide a general picture and to enhance the validity of the findings (Bryman, 1992).

Thirdly, this thesis has necessarily adopted a multidisciplinary approach. The literature recognizes that the choice of methodology is inevitably a function of the researcher's preferences, ambitions and background (Branner: 1992). My generalist background, with some academic training in humanities, linguistics, management and advertising,

clearly favours an eclectic and multidisciplinary approach. The multidisciplinary nature of the policy problem as seen from the practitioner's point of view (Shapiro, 2002) has also led to the critical appraisal of specific single-disciplined methodologies and theories in economics (Lee, 2002), human geography (Yeung, 1997) and political science (Shapiro, 2002).

Figure 1.1. Grounded theory method applied in this thesis



Source: adapted from Lee (2002: 793)

Obviously, the position of a researcher in a participant observation context is especially problematic. Whilst some methodologists claim that "all observation is theory laden" (Shapiro: 2002), my observation has been more "value laden", as I was immersed in the predominant policy narratives and sentiments, especially "localist ideologies". So the research process has involved the gradual replacement of the value-laden observation with theory-laden inputs.

The principal question about the epistemological¹⁴ commitment underlining this thesis is not straightforward. Indeed, a three-tiered view of the world, following Lee (2002) is adopted: the economic world does not consist just of our experiences and events, but also of underlying structures and causal mechanisms. In the view of critical realism, theoretical constructions are not obtained by selectivity of data use, but by a constant

¹⁴ Epistemology, a branch of philosophy, studies the nature of Knowledge. For the sake of this research two contradictory epistemological positions need to be distinguished. On one hand, knowledge can be viewed as essentialist, universal, and generating laws. The other view on knowledge assumes the construction of knowledge in time, dynamic, socially and context dependent.

search for fully explanatory propositions. In this sense, tentative answers to theoretical and practical regionalisation questions are theoretical conjecture, rather than a formal explanatory theory. But, as Shapiro (2002) has cogently argued, conjectures, while hard to evidence, might nonetheless be true. Other limitations of this research are related to the grounded theory approach. Yeung (1997) points to the practical constraints this approach might suffer. Prone to being lost in categories, the researcher is at risk of failing to see a broad picture or a theoretical perspective. Quite so. However, the final goal of this thesis – to synthesise - is well-suited as a guard against such dangers.

The epistemological commitments for the specific research propositions follow the utility function. When possible, a positivist approach is used; where deemed more appropriate or relevant, interpretivist frameworks are employed, with an attempt to strike a balance and be conscious of the associated limitations, attempting what May (1997) terms as “building a bridge”.

Specific methodological guidelines, frameworks and data thus accompany each specific research proposition. For analysis of rural resources across Poland (Chapter 3), and budget regionalisation issues (Chapter 5), economic, geographic and statistical methods are employed to establish objective patterns, usually quantitative in nature, as positivist truths. The approach to examining regional preferences (Chapter 4) is more complex. Firstly, an eclectic approach is demanded by the nature of the available data. Documentary data, in conjunction with the fluid nature of preferences, are best tackled through a combination of para-quantitative and linguistic analysis. The discourse of regional development strategies is supposed to reveal the strength of regional loyalties and identity. Supplementary insider’s observation, as well as a regional questionnaire exercise, are used in a more interpretivist mode, in contrast to the treatment of the documentary evidence. The analysis of political processes (Chapter 6) involves a few assumptions. First, although the approach is context specific and confined to Polish-EU policy (requiring a more interpretivist approach), positivist propositions are made on generalizations of process replication and behaviour, primarily on the basis of subsequent interviews with the policy actors.

Finally, it is worth noting that a search for a broad and practical result, rather than a more narrowly focused and academically rigorous study, can be considered as an attempt to go beyond what Kuhn (1970) has called a scientific paradigm. In this case, the conventional paradigm for higher degree research is that of a highly specialized, narrowly focused Ph.D. thesis. However, there is no commonly accepted formula or approach to the problem of desirable and effective development processes or associated policies. The search for a sustainable development policy for Polish rural regions is therefore fundamentally risky, an unambiguous characteristic of genuine research.

Clearly, in the essential trade-off between breadth and depth, this study necessarily eschews rigour and academic excellence in favour of policy realism and relevance, yet also necessarily poses a risk of superficiality and unreliability. But by identifying the important assumptions and shortcomings, the study's ultimate methodological objective is a search for what Harvey (2000a) terms as "reconciliation between academic excellence and policy relevance". Meanwhile, as with all policy research, but especially with this – focused on accession policies in the context of an increasingly contested and potentially changing EU policy – the generic problem of transience has to be coped with: the policies under review and analysis are changing form and shape while they are being studied. Results and conclusions are thus bound to be essentially ephemeral, conditional and provisional, ultimately relative to the specific context and circumstance.

The usual problem of the policies changing as they are researched has been encountered. The core research data comes from the participant observation (of 1999-2001), updated in the first half of 2002 with the FEOGA-Guidance developments following the launch of official EU proposals for an accession packages. This information was last updated for political events in January 2003 during a short series of interviews in Warsaw. The analysis is valid as of April 2003. FEOGA-Guidance programmes are still at the drafting stage (their first stage in summer 2002). The results of the Copenhagen Summit are treated as binding (though in practice the text was finalized before the official signing of the Accession Treaty). At the time of final drafting, in April 2003 only preliminary policy outputs are available.

On this basis, we now move to the specific policy context for this thesis.

1.7. Polish regionalisation reform

Polish regionalisation reform took place in 1999¹⁵ as a second stage of the state administrative reforms in transition from the central planning system. The first stage was the creation of local self-governing communities (*gmina*) in 1990.

The decentralisation process, originating from ideas of the opposition activities and Round Table¹⁶ discussions in the 80s (Regulski, 1999; Kerlin, 2001, Ostoja-Ostaszewska, 2002), has been depicted as a fight of pro-reform forces linked to the post-Solidarity movement and *status-quo* holders of local power (such as the Peasant Party (PSL) and Democratic Left Alliance (SLD)). The theoretical benefits of the reforms were strongly believed, as revealed passionately by M. Kulesza, Government Plenipotentiary for Administrative reform:

“Putting off the reform again would not only carry measurable losses for civilization, but also for the economic development of the country and direct financial damage” (Kulesza quoted in Kerlin 2002: 5).

Compliance with the EU standards (as an improvement of regional level administration) was seen as an appropriate adjustment to structural funds, and was popularly used in the reform discourse (Brusis, 2002; Ostoja-Ostaszewska, 2002), fuelled by the Commission’s apparent, if not always explicit preferences for elected regional authorities (Brusis, 2002). In addition, the debate was underlined by an ideological traditionalist sentiment of restoring the pre-communist order (Kerlin, 2001). The results of the reform have been seen as “doing the main job of overhauling the soviet type of sub-national government.” (Ilner, 2002).

As a result of the reform¹⁷, 16 (new) self-governing *voivodships*, amalgamating the old and small 49 administrative voivodships, have been created. Despite numerous scientific

¹⁵ Law on the regional self-government of 5 June 1998 (OJ 91, 18 July 1998)

¹⁶ Round Table discussions were held in 1988 between the official communist authorities (under the chair of President Jaruzelski) and the banned trade union and other opposition groups. The talks, taken amid widespread predictions of a social explosion, marked an important step in the peaceful Polish transition to democracy.

¹⁷ Law on the regional self-government of 5 June 1998 (OJ 91, 18 July 1998)

studies carried out to ensure that these regional boundaries reflect historic and economic traditions (Regulski, 1999), the number and definition have, of course, been highly contested (Gorzela, 1999), especially by those who have lost voivodship status. Pressures for a larger number of regions were relatively successfully opposed (Regulski, 1999), contrary to the demands for more counties (poviats), as an intermediate self-governing level, where all local demands could be satisfied, with a number of counties totaling 372.

The “new” regions are governed by regional assemblies (*sejmik wojewodski*) headed by a board chaired by the marshal (*marszałek*). Central government is represented in the region by the governor (*wojewoda*, voivod)¹⁸, who is primarily responsible for enforcing central laws in the region. The scope of responsibilities of the regional authorities (marshals) have been broadly defined to include public education, health care, protection of cultural heritage, social supports, family-oriented policies, modernization of rural areas, spatial development, environmental protection, transport and roads, consumer protection, public security and counteracting unemployment. Funding is transferred from the central government to the regional authorities¹⁹ according to a regional contract identifying specific investment projects. However, the budgetary prerogatives fall well behind such a wide array of obligations (Gilewska, 2000) as plans for decentralization of public finance have not progressed as originally intended (Gorzela, 2001; Zaleski, Dzedzyk, 2001). In particular, competences in regional development are not matched by budgetary authority, which is retained by the central administration. Presently, own revenues only account for 15% of total regional revenues (or, on average, 95 PLN per inhabitant) and the resultant reliance on central grants, especially special purpose subventions, leads to clientelism (Gilewska, 2000). Opaque divisions of competences, initially a transition tool helping to win popular support for the reforms (Kerlin, 2001), have led to tensions between voivods, marshals and central ministries (Zaleski, Dzedzyk, 2001).

Zaleski, Dzedzyk (2001) argue that the competence of agriculture and rural development is a particularly misfortunate example of the competence “mess”. The regional

¹⁸ Law on the governmental administration of 5 June 1998 (OJ 91, 18 July 1998)

¹⁹ Law on supporting regional development of 12 May 2000 (OJ 14 June 2000)

governments have obtained the necessary legal competences, yet financial capacities have been almost totally retained by the center (cf. Table 1.2.), so in practice the regions have little scope for regional policy-making. In addition, they have no competence in land policies, or even in the (recently re-centralised) advisory systems. Such a highly centralized non-transparent financial system has led Gilowska (2001) to claim that public agricultural expenditure is unlikely to be integrated with regional policies.

Moreover, Zalewski, Dziedzzyk (2001) claim that mismatches between competence and financial authority lead to conflicts, not merely on the grounds of ambitions but also of competence between marshals and voivods. Most conflicts originate from the voivod's role in controlling the transfer of central funding to regional self-governments. As the scale of such transfers is huge, in practice voivods have the role of supervising the marshals, a tension reflected also in the structural funds preparation.

Table 1.2. Polish public development expenditure on agriculture in 2000 at central and regional level (million PLN)

	Grants and subsidies in agriculture	Expenditure on assets in agriculture	Other development funding in agriculture
Central government, of which:	2,600.766	14.967	1.348
State budget	2,589.606	14.209	0
State targeted funds	11.106	0.767	1.348
Self- government sector, of which:	89.092	880.443	0
Communes	0	578.607	0
Districts	0	192.426	0
Towns with district status	0	8.797	0
Voivodships	0	291.227	0
Regional government targeted funds	89.092	0	0
Both sectors	2 689.858	895.410	1.348

Source: Gilowska (2001)

It is in this context that Poland needs to make a choice on policy regionalisation for the structural programmes for agriculture and rural development on EU accession.

1.7.1. Definitions: policy regionalisation

A variety of terms are used rather inconsistently in the decentralization debate, and have been ordered by Rondinelli (1981). He has identified four points on the decentralization continuum: de-concentration, delegation, devolution and privatization. In his classification, de-concentration implies the transfer of competence to local administrative offices of the central government. Delegation means the transmission of competence to sub-national governments. Devolution implies transfer of competence to sub-national political entities, and finally, privatization means transfer of functions to private agents. However, Parker (1995) makes a horizontal distinction between political, fiscal and institutional dimensions of decentralization, pointing at the imprecision of Rondinelli's classification, but failing to propose an alternative.

Indeed, Rondinelli's (1981) typology of decentralization is confined to transfer of competences underlined by political and institutional contexts and is far from precise. It is argued here that the definition (and hence, classification) of policy regionalisation needs to go beyond transfer of competences. Following Parker's (1995) call for a more precise typology, a three dimensional categorization of policy regionalisation is proposed here for rural development policy. It is argued that policy regionalisation refers to encompassing regional aspects not only in institutional implementation set-up (exclusive to Rondinelli's typology) but also in policy design (programming) and budget allocation. Each of these dimensions constitute axes for classification. In addition, types of arrangements need to encompass not merely binary distinction of central *versus* regional competence, but also more cooperative, consultative arrangements applicable in the Structural Funds policy-making. Such a classification also allows more precision and coherence in the use of terms, which is badly needed, as both in Warsaw and Brussels (if nowhere else) their use is confusing (Interview: Nowicka, 2002; Juetta, 2002).

The resultant classification along three major dimensions is shown in Table 1.3. below:

Table 1.3. Three dimensional definition of policy regionalisation
The case of EU rural and structural policies

Programming axis ²⁰	Budgetary axis ²¹	Institutional implementation axis ²²
<i>0. Horizontal, centrally decided</i>	<i>0. Horizontal allocation, central co-financing</i>	<i>0. Central agency headquarters</i>
<i>1. Horizontal, centrally decided, regionally consulted</i>	<i>1. Regional allocation centrally decided; central co-financing</i>	<i>1. Regional administrative offices of central agency</i>
<i>2. Horizontal, centrally decided measures with regionally differentiated policy details</i>	<i>2. Regional allocation centrally decided; regionally consulted; central co-financing</i>	<i>2. Regional administrative offices of central agency in conjunction with regional authorities/committee</i>
<i>3. Regionally differentiated measures, centrally decided</i>	<i>3. Regional allocation; regional co-financing</i>	<i>3. Regional administrative bodies (voivod)</i>
<i>4. Regionally differentiated measures, centrally decided, regionally consulted</i>		<i>4. Regional administrative bodies (voivod) in conjunction with regional (elected) authorities (marshal)²³</i>
<i>5. Regionally differentiated measures, regionally decided</i>		<i>5. Regional (elected) authorities (marshal)</i>
<i>6. Regional programme, Regionally decided</i>		

Source: own compilation

A specific regionalisation category is a function of scores on the three continua. This can be better illustrated in Figure 1.2. below:

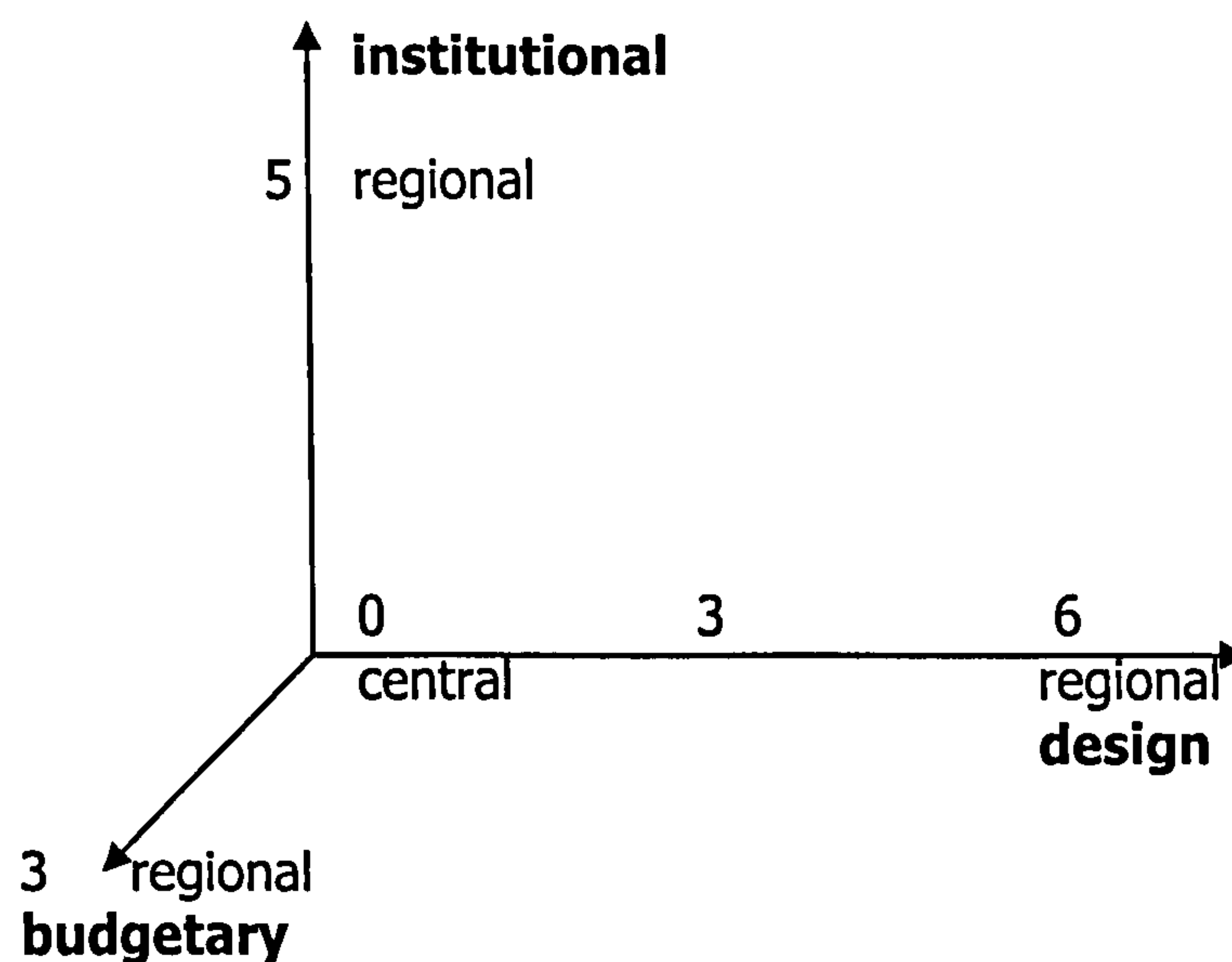
²⁰ The rural development programme consists of multiple measures (instruments) associated with specific objectives, eligibility conditions and criteria and rates of aid (termed policy details).

²¹ EU legislation requires that a funding allocation per measure is specified in the rural development programme.

²² Implementation covers the following key functions: receipt of applications for aid (projects), processing of applications to determine their eligibility, ranking of applications, decisions to grant aid, contracts with beneficiaries, inspections and control and provision of information. The payment side involves authorization of payments, execution of payments to beneficiaries, and accounting procedures.

²³ For details of competences of marshall and voivods, see Section 1.6.

Figure 1.2: Three dimensional classification of policy regionalisation



Source: own

1.8. Roadmap for this thesis

The research processes are shown in Figure 1.3. This research, essentially rooted in a grounded perspective, has consisted of processes of search (both for data and for theoretical frameworks), validation and, finally synthesis.

The Key Policy Questions (Q), specified at the beginning of this Chapter (Section 1.4) are:

- Q.1. What (if any) policy regionalisation is desirable for practical Polish EU rural development policies?
- Q.2. How can rural development processes and policy be conceptualised, to include regional dimensions?

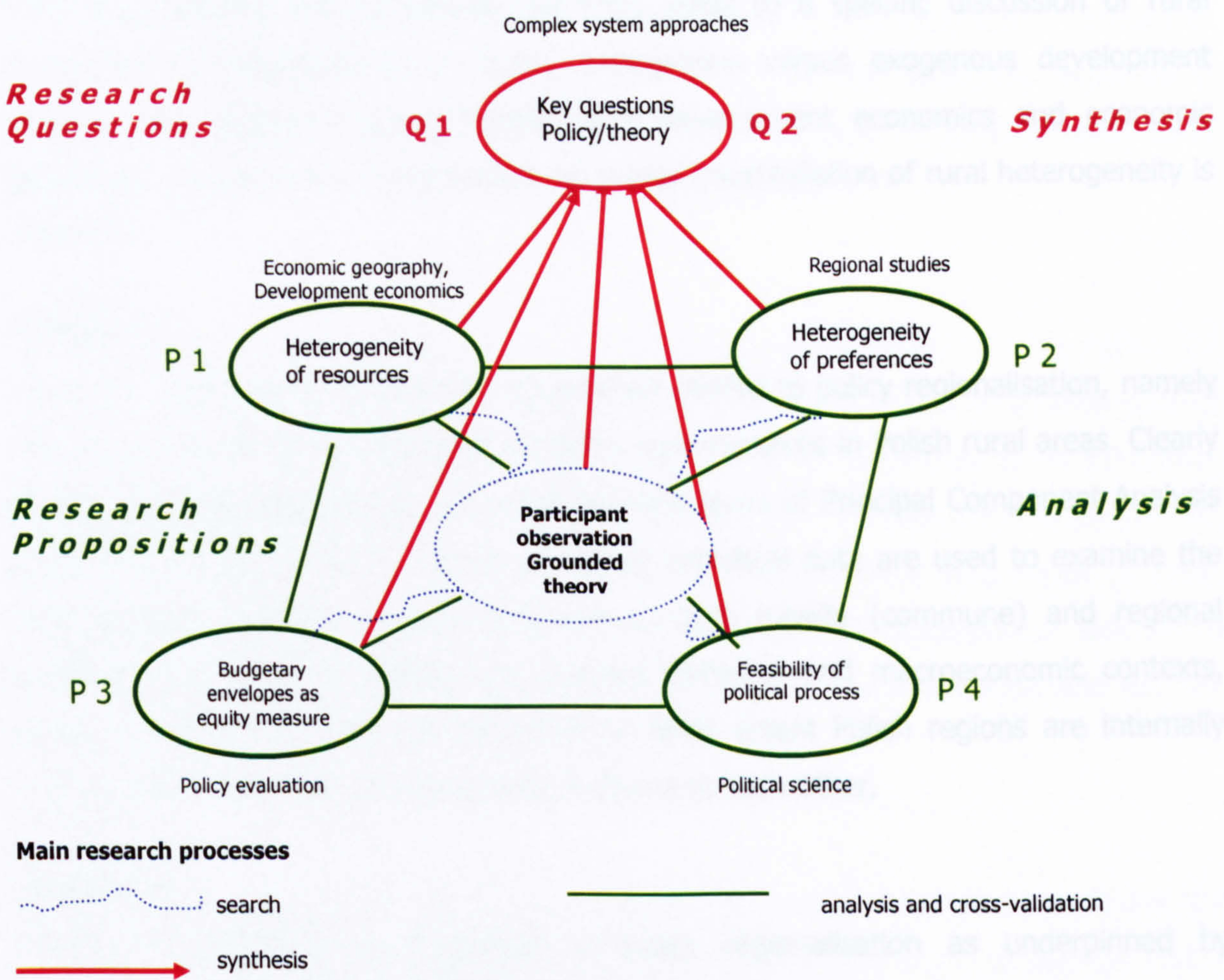
The Research Propositions (P), specified in section 1.5. above are:

- P1. The structure of rural resources is heterogeneous across rural regions in Poland, which necessitate policy differentiation between regions.
- P.2. The preferences of regions' constituents and/or elected representatives for development goals are heterogeneous, so that policy demands are different between regions.
- P.3. Resource and income disparities between regions are sufficient to require

regional financial differentiation to achieve more equal distribution of policy benefits across regions, and thus over constituents.

- P.4. The political process of preparing Polish EU rural programmes, permits, encourages and facilitates regional differentiation, without which no regional policy can be successful, regardless of justification on other grounds.

Figure 1.3. Scheme of main research structure and process



Chapter 1

This chapter has outlined and discussed the research justification and context, leading to the main (theoretical and policy) questions of the thesis. These are tackled indirectly by exploring a series of specific research propositions formulated on the basis of a critical appraisal of decentralization and regionalisation debate. In the background, Polish

regionalisation reform is briefly discussed, as well as the choices related to Polish EU structural and rural development policies, as presented at the end of the accession negotiation.

Chapter 2

Chapter 2, a desk study of development literature and economic geography, seeks to establish a methodology for analyzing and interpreting Polish rural circumstances in a spatial sense. A brief account of current debates on development and its geography, both in developing and developed countries, leads to a specific discussion of rural circumstances, embodied by a classic endogenous versus exogenous development debate. This Chapter draws primarily upon development economics and economic geography. In conclusion, a framework for spatial interpretation of rural heterogeneity is presented.

Chapter 3

Chapter 3 explores the first specific proposition related to policy regionalisation, namely that of the spatial heterogeneity of problems and resources in Polish rural areas. Clearly in the positivist epistemology, the statistical techniques of Principal Component Analysis (PCA) and Cluster Analysis (CA) of secondary statistical data are used to examine the heterogeneity patterns of rural resources at both rurality (commune) and regional (voivodship) levels. Set against the broader historical and macroeconomic contexts, spatial rural analysis seeks to determine to what extent Polish regions are internally homogenous while being heterogeneous relative to each other.

Chapter 4

Chapter 4 examines a proposition of policy regionalisation as underpinned by heterogeneous policy preferences in Poland across regions. Data triangulation, based on the SAPARD regional consultation exercise and documented regional development strategies, is carried out to reveal regional differentiation of rural development policy preferences. Underneath the patterns of preferences, their legitimacy is examined as a basis for bottom-up regionalism, underpinned by territorial identities within Polish regions. New regionalism literature, in particularly work on regional identities and

legitimacy, is referred to in the analysis. The analysis itself combines mixed methods, including discourse analysis.

Chapter 5

Chapter 5 analyses the proposition that regional budget allocations for rural development policy are an important equity measure to ensure “fair” policy distribution between regions. Based on literature of fiscal federalism as well as rural credits, the theoretical basis for potential policy biases is identified. The Chapter also discusses the issue of cohesion and regional fairness for policy distribution as presented in literature. For its analytical parts, the policy absorption patterns of the financially regionalized SAPARD programme, as well as centralized horizontal aids in Poland, have been examined to assess the relevance of budgetary regionalisation.

Chapter 6

Chapter 6 examines the proposition of regionalisation feasibility in the Polish EU structural rural development policy programming. Based on a review of political science literature related both to the policy process itself, as well as specifically to the EU policy-making, an eclectic analytical framework is outlined for the short-term analysis. The analysis is carried out from participant observation data as well as a series of semi-structured interviews carried out with main policy actors. In conclusion, a speculative conjecture is made on the long term prospects for policy regionalisation and the key forces shaping it.

Chapter 7

Chapter 7 constitutes an attempt to synthesize the specific research propositions and multidisciplinary frameworks used in the analytical part of this work, to address both a theoretical and practical policy main research questions. A complex system approach with a multiple rationality policy model is proposed as an integrated framework for rural policy analysis. The policy implications are outlined. In conclusion, the new research questions and key limitations of the adopted approach are given.

Chapter 2

Nature and Geography of Rural Development: towards a theoretical framework for analyzing spatial dimensions of rural development in Poland

2.1. Outline and objectives of Chapter 2

Based on the premise that spatial heterogeneity of rural circumstances potentially underpins policy regionalisation, this chapter develops a methodology for territorial analysis of rural development in Poland. Any interpretation of spatial characteristics in rural areas, though by no means straightforward (Weesp, 1999), is inherently underpinned by the concepts of development, including agricultural development. For this reason, emphasis has been placed on the discussion of development process.

This Chapter is structured as follows. Section 2.2. reports on the main concepts of development process as discussed in literature. Section 2.3. highlights the development processes in agricultural and rural contexts, concentrating on the locus of development impulses as endogenous or exogenous. The rest of the chapter concerns the location of those processes in space. Section 2.4. discusses the main forces behind economic convergence and divergence. Section 2.5. attempts to outline how the location of development processes and their dynamics are reflected in spatial categories of rural and urban, and in particular how rural typologies relate to the locus of economic development. In conclusion an analytical framework for evaluating the spatial dimension of rural development in Poland is proposed, especially on assessing the validity of the voivodship in describing the geography of Polish rural development.

2.2. Concepts of development process and its main mechanisms

Discussion of the development process, in which agricultural and rural development is embedded, is wide-ranging with far from univocal results (Mosse et al, 1998; Meyer and Stiglitz (ed), 2000). Development concepts, as well as ideology and explanatory

discourses, have evolved over time, generating different comparative measurements, and leading to different policy recommendations. The evolution of social and scientific approaches is partly attributable to intellectual efforts, and partly responsive to parallel historic developments and experience on the ground (for overviews see for example: Meyer, Stiglitz, 2000; Ruttan, 1998; Sachs, 1992; Thirwall, 1994).

The traditional school of growth economics, pioneered in the 50s (Solow, 1957; Rostov, 1960; Lewis 1955; Nurkse, 1957) was enthusiastic about grand theories and normative policy planning. As growth was seen mainly as an outcome of capital (especially physical capital) accumulation, governments were charged with engineering their policies and planning so as to maximize savings and encourage such desired accumulation. However, recently Podrecca, Carmeci (2001) question the causality of capital formation and growth, indicating a feedback relationship. To break low-level equilibria of poverty, recommendations were for a “minimum critical effort” (Leibenstein, 1957), or a “big push” (Rosenstein-Rodan, 1943). Development was primarily conceptualized as simply economic growth, which good government was expected to plan and make happen.

Enthusiasm about the planning powers of state actors, generated in the spirit of falling colonialism, ended rather abruptly in the 70s with clear evidence for deficiencies in planning. If development did not happen as expected, it was public mismanagement to be blamed, and efforts to learn and “get prices right” were encouraged. The 60s also brought a concept of “entrepreneurship” as a source of growth, and a collection of interdisciplinary socio-psychological approaches emerged (Hagen, 1962).

Marked disillusionment with planning capacities led to abandonment of faith in state intervention and the re-emergence of “leaving it all” to the market, or in particular, to the forces of international trade. Both tangible and non-tangible (especially, access to information and diffusion of innovation) gains from trade were given as a recipe for accelerating development in the 80 and 90s (Krugman, 1991). There is now little doubt that open economies perform better than closed economies (Falvey, 1997) as people capitalize on their comparative and competitive advantages (Porter, 1990; Kay 1993).

With the inequality resulting from capital accumulation and labour displacement, economic growth itself was seen as insufficient to enhance the standards of living, or to reduce poverty.²⁴, and search for *quality growth*, rather than mere growth has been advocated. New definitions and measures of “quality growth” have come into vogue, with emphasis on poverty reduction (measured as income and growth of the bottom quintile), overall living standards (measured through the Human Development Index HDI²⁵), entitlements and freedom (Sen, 1987), and the more recent concept of “sustainable development”. An example is the DiFD sustainable livelihood approach, stressing people’s means of living and the need to decrease vulnerability, while not undermining the natural resource base. However simple the sustainability approach of maintaining the natural resource base may sound, it is plagued with difficulties in environmental valuation, units of measurement and geographical scales (Midmore, Whittaker, 2000).

The search for universal sources of growth has now moved far beyond physical capital accumulation. Whilst, already in 80s, the residual in the growth functions relating income growth to capital accumulation and trade, was explained as arising from a mixture of education, economies of scale and improved efficiency, the new growth economics put innovation and knowledge into a new focus (Romer, 1986). Meanwhile (e.g. Gereffi, Fonda, 1992) more skeptical theories of economic growth were also advanced, emphasizing dependency theories (for example, imperial linkages) and Marxism. New market failures connected with information and risk-sharing, highlighted by the new institutional economy as well as by numerous comparative inter-country studies of differentiated economic performance (Barro, Sala-i-Martin, 1992) moved institutions into the center of attention of new generation of development economists

²⁴ Scott (1995) notes that in the EC higher income growth per capita may not necessarily improve development levels. Despite high GDP levels, the stringent budgetary discipline needed for meeting convergence criteria for EMU, combined with lower tax revenues resultant from fierce competition for inward investment, results in reduced public expenditure. A reduction in public spending might well be supposed to hit the poor disproportionately as they are less likely to be able to afford to pay privately for education, health, transport, environment or other “entitlements”. Higher private incomes in the absence of, or difficult access to public entitlements might reduce, rather than improve life’s quality.

²⁵ The Human Development Index (HDI), developed by the United Nations Organisation (first used in 1990), combines three factors of equal weight: opportunity for long and healthy life (life expectancy), educational attainment (adult literacy rate and school enrollment), and standard of living (GDP per capita).

(Stiglitz, 1989). Institutions, defined as “rules of the game in a society” (North, 1990), underpinned by conventional trust and willingness to cooperate, began to be seen as “social capital” (Abramovitz, 1993; Fukuyama, 2002), leading to decreased transaction costs and risk-encouraging innovative attitudes (Putnam, 1993; Williamson, 2000; Ruttan, 1998) and acceptance of complementarities between the state and the market. In the light of current pre-occupations with seeking explanations of past growth or pre-conditions for future growth, Ruttan’s (1998) comment seems vital:

“any attempt to analyze economic development with a model in which there is no mechanism to generate structural transformation can hardly be regarded as serious. It resembles an attempt to perform Hamlet with no role for the Prince of Denmark.”

Such structural options are often missing in literature. The debate about the nature of development process teaches us that development is complex, multifaceted, non-linear and non-replicable (Adelman, 2000; Mosse et al, 1998). The World Bank report (2000) highlights a few of the important development components for policy guidance:

“Development is about improving the quality of people’s lives: higher per capita income, more equitable distribution of education and job opportunities, greater gender equality, better health and nutrition, a cleaner, more sustainable environment, a more impartial judicial system, broader civil and political freedoms, a richer cultural life”.

World Bank, 2000:1²⁶

The story of development studies demonstrates that their *ex-ante* predictive capacities are limited, and hence, their ability to provide a solid framework for beneficial policy intervention is also rather limited. Development economics, with its recent and important branch of transition economics, follows its own principles: it develops its learning by doing, and offers no ready-made recipes of how to make development happen, only a general way of reflecting on past performance and learning from it.

²⁶ Other features of growth, or what the World Bank (2000) terms as “quality of growth” include its sustainability and equity. The World Bank study (2000) suggests that economic growth (as measured by GDP per capita) has a positive correlation with some health indicators, however, the study points out that growth in GDP per capita can be achieved in numerous ways, with different volatilities, as for example, incentives to exploit natural capital below its real costs might bring unsustainable growth. Similarly, openness to trade and the volatility of capital flows are (can be) associated with increased volatility of growth. To offset potential risks, a strong financial sector along with effective regulatory and legal frameworks are needed. Also high per capita rates can be reached simply by the labour (or the unemployed) moving out of the disadvantaged region, which may not contribute to cohesion (more on cohesion in Chapter 5).

Recent studies, influenced by Foucault's work, have taken a new and critical view of "development narratives" and the historically specific interactions between knowledge and power, especially with particular types of scientific knowledge to the exclusion of others (Mosse, 1998).

2.3. The process of agricultural and rural development and its primary determinants

Likewise, debates on mechanisms of agricultural and rural development remain inconclusive, both in the context of developed post-industrial economies (Ploeg et al, 2000; Terluin, 2000) as well as in developing countries.

2.3.1. Definitions and core conceptualisations

Within a whole spectrum of definitions of rural development, the holistic nature of development seems uncontestable, at least in its meaning beyond agricultural or purely economic terms, (Shepherd, 1998; Knickel, Renting, 2000; Saraceno, 2002; Bryden, 2000). The following definition (Shepherd, 1998: 3) is sufficiently representative for present purposes:

"Rural development is the set of activities and actions of diverse actors – individuals, organizations, groups – which taken together lead to progress in rural areas. Progress is defined differently by different people: historically, material progress – growth of incomes and wealth, (reduction in) poverty – has been the main consideration in development theory and practice. Today other indicators of progress – cultural, spiritual, ethical – are increasingly taking their place beside the material in a reformulated, more holistic concept of development."

Questions remain as to whether rural areas are capable of non-dependent growth (echoing the role of agriculture debates above). For Hodge (1986), rural areas are capable of sustained growth as he claims that their growth results in "an overall improvement in welfare of rural residents and in the contribution which the rural resource base makes more generally to the welfare of the population as a whole". On the other hand, for some post-industrial researchers in the developed economies (such as Saraceno, 1994a; Lowe et al, 1995) rural development need not to be a positive category at all. They claim that rural development merely constitutes a residual

category, closely linked with developments elsewhere in the economy (in urban sectors), and they argue plausibly and forcefully that ruralities in Western Europe are increasingly becoming places of consumption rather than production.

However, there is no doubt that the relative decline of the conventional (commodity) agricultural sector is necessary as the development proceeds, simply because income growth itself both generates and is generated by non-agricultural (food production) activities. This forces rural economies to seek alternatives elsewhere. But those opportunities, at least in the light of present geographical theories, are seen as limited indeed. Physical dispersion, lack of agglomeration economies, looser networks of information and higher transport costs are claimed to put rural areas at a structural disadvantage (Leon, 1999). However, empirical research carried out in Europe has evidenced a variety of rural adjustment strategies. A wide body of research carried out in Europe notes a variety of adjustment strategies, such as the provision of environmental and recreation services, culture, networking, cost-reduction and value-added differentiated products (Ploeg et al, 2000); or rural specialization oriented respectively around mass food markets, quality food production, agricultural development and non-agricultural developments (Marsden, 1998). Indeed recent research (Saraceno, 2002; Terluin, 2000; OECD, 1994) shows that a traditionally conceptualized spatial rural hindrance in developed countries has not materialized, at least not in terms of employment losses. Emerging theoretical models are indicating an increasing role of cultural and environmental capital for rural development (Ray, 2002), replacing traditional land based agricultural production as the richer (largely urban) society is willing to pay for the provision of landscape and amenity based productions (Moss, Chilton, 1997). However, the transformation paradigm underpinning such post (agricultural) modernization is still conceptually deficient (Ploeg, 2000; Ray, 2002).

On the other hand, the conceptualization of agricultural development in developing economies is based on the assumption of higher marginal returns of labour outside agriculture and, hence the need to provide encouragement to move resources out of agriculture (Hunter, Knowles, 1998). In this model, the agricultural surplus is extracted

to finance industrial development (Winters et al, 1998) whereby price serves as a primary mechanism for extraction. As coined in a classic Kuznets (1964) model, one of the crucial problems of modern economic growth is how to extract from the product of agriculture a surplus for the financing of capital formation necessary for industrial growth without at the same time blighting the growth of agriculture.

The literature disagrees about whether agricultural and rural development processes follow a repetitive paradigm, or happen merely as a set of their own non-replicable incidents. In the context of developing countries, Shepherd (1998) argues succinctly about the failure of a modernization paradigm, supporting the need for people to define their own course of development. This view is supported by a whole array of research (and policy approaches) on community-based bottom-up development (LEADER Observatory, 2001) maintaining that in post-industrial globalized economies, competitive advantage built on unique resource mixes (Harvey, 1996; Saraceno, 1994a) defines a unique development trajectory. However, some researchers, in particular in Italy, believe in a sequential logic of rural development (Esposti, Sotte, 2002; Storti, 2000) on the continuum between agrarian and post-industrial modes of rural organization as indicated by employment in primary, secondary and tertiary sectors. Storti's (2000) classification by employment clusters in relation to the national averages, identifies manufacturing systems, tourism based systems, agricultural systems, mixed hinge systems, agricultural systems in transitions, and finally, integrated systems.

This discussion brings us to a question of the origin of rural development processes, the main bone of contention in current rural development studies: if development impulses lie inside or outside the control of rural dwellers.

2.3.2. Determinants of rural development process: endogenous/exogenous debate

Proponents of exogenous theories (in vogue till 70s) base their view on an assumption that modernization results in a division of economic activities between urban and rural: urban areas become the domain of industries and services and rural areas that of agriculture. Since urban areas are the primary determinants of agricultural demand, the

process is exogenously determined (Slee, 1994), neglecting local impulses or values.

The endogenous development approach is conceptualized primarily as grounded on local resources, in which local values are respected and able to sustain control of the development trajectory. In this model, networks of small and medium firms can constitute a rural competitive advantage with local locus of control, based on agglomeration economies of exchange and durability of local networks, leading to the decline of information costs and trust-building relations decreasing transaction costs. Ideas of an endogenously determined potential have led to concepts of "bottom-up", "community development" (LEADER Observatory, 2001). Bryden (1998) has elaborated the endogenous theories by arguing that in global economies with mobile capital and human resources, the competitive advantage can be ensured based on a unique mix of immobile local resources as social, environmental and cultural capital.

A mixed endogenous-exogenous approach, advocated by Lowe *et al* (1995), for example, claims that the control of rural development process lies at the interplay between internal and external actors. According to this view, analysis should cover economic resources in conjunction with political components of internal and external power networks.

The debate suggests that the importance of endogenous capital increases with abundance of capital and labour. In Poland, with limited consumer demand, and limited capital stocks, the main impulses for rural development processes are likely to come from external, urban economies, with location being an important rural asset. However, following Lowe's mixed approach, the spatial location, or broader connectivity, in relation to growth centers can be endogenised. Given the restructuring processes in urban economies and high unemployment, the practicability of monitoring rural dynamics in employment trends seems to be limited. Notwithstanding that the development process features fundamental complexity and, hence, dynamic unpredictability (e.g. Capra, 1996; Prigogine Stengers, 1984), we conclude that the development prospects of a given rural area are a function of all its assets, including

location, as endogenous factors, as well as the development of the broader regional economy (exogenous factors).

2.4. Geography of economic dynamics

Given the concept of development and its primarily determinants, we now move on to a static question of “*where*”, and dynamic question of forces behind rural change. The unequal patterns of development are an obvious fact, yet the task of explaining those patterns by contemporary theories still remains “ambitious” (Marsden, 1995; Henderson et al, no date) with explanatory but contradictory convergence – divergence theories being offered.

2.4.1. Convergence-divergence debate

Under the neo-classical economic model, the economic dynamic between territories is perceived as a balance between forces of convergence and those of divergence.

The convergence theory (see, e.g. Barro and Sala-i-Martin, 1992) proposes that economic convergence happens automatically, at least in the long run, independent of initial conditions, as long as technology transfer is not seriously restrained, as growth is assumed as mainly exogenous, driven by a knowledge progress. Capital flows from richer regions to poorer ones, where it is assumed to generate higher marginal returns, stemming from relative scarcities. Similarly, with time, labour (if assumed a mobile resource) will tend to move to more prosperous regions, thus equalizing capital/labour ratios and returns. However, this theory depends rather heavily on the simplifying assumptions that capital returns are determined independently of the history and context of investment, and that these returns are not closely co-determined by the quantity and quality of labour (human capital), and other capitals, and that both labour and capital are malleable into different forms and activities over time, as well as being mobile over space. Weaker versions of convergence theory hold that convergence is not automatic, depending on the set of policies, with conditionalities on mobility of factors, and on the nature of competition in both factor and product markets.

The divergence approach highlights a number of forces, such as economies of scale, scope and agglomeration. Economies of scale tend to encourage concentration, specialization and regional divergence. Already developed regions appear to be better in transforming knowledge into improved human capital than lagging regions. Growth in one sectoral or product dimension tends to generate growth in supporting and complementary sectors in the same or adjacent localities. At least temporary monopolies are often generated by innovation, which happens in specific locations. Labour market efficiency is enhanced due to search-and-match effects²⁷, which are stronger in more developed regions. The weak non-convergence hypothesis argues that some minimum absolute level of externality-inducing factors must be obtained, or a critical threshold attained in the endowment of the strategic inputs: human capital, public infrastructure, R&D, financial. Krugman (1991) notes that regional economies tend to be more specialised than national economies of the same size. This is a direct prediction of the theory of trade, where open (trading) economies take advantage of and specialise according to their comparative advantages to capture the gains from trade. In addition, movements of capital and especially labour often give rise to cumulative processes of uneven developments (Myrdal's "cumulative causation"), where particular enabling and supporting factors tend to reinforce each other over time. However, the development of footloose industries (which do not rely on transportation of raw materials or final products) as well as general reduction in logistical costs (associated with improved transport and communication systems) can, in principle at least, overcome some of these disadvantages in modern circumstances, notwithstanding the apparent importance of these factors (economies of scale, scope and agglomeration) in explaining historic development patterns.

The literature discussed above indicates that the forces for convergence and divergence are not exclusive. An actual outcome appears the function of their strengths characteristic to a particular area, making any generalization highly risky. The debate offers scarce predictive powers, but it can be helpful in explaining the observed dynamics of development.

²⁷ Search-and-match facilities, such as job counseling and agencies tend to be better organized in better-off regions where the fluctuation on the labour markets are higher.

Having briefly discussed the notions of development process, its sources and geographical dynamics, we finally move to summarize the critical spatial categories such as rural typology, region and locality (rurality), against which we set the Polish spatial analysis.

2.5. Main spatial categories

2.5.1. Rural

The following three main approaches to categorisation of “rural” have been identified by Blanc (1997), reviewed by Terluin, 2000; Terluin, 2001: spatial, territorial and constructivist. A spatial approach attempts to define the distinctiveness of rural areas from other (urban) territories. The use of space however, is seen not as a purely descriptive category, but more as an outcome of agents’ search for optimum location in relation to the centre. Activities further away from the center are likely to bring lower rents, require less economics of scale and scope (such as basic services) and feature lower levels of employment. The rural thus corresponds to the peripheral and is defined by a set of socio-economic indicators, such as population density, share of agricultural sector or land use. Examples of such categories include OECD (1994²⁸) definition by population density. The second approach, termed “territorial”, based on a model of competing discrete territorial economies with close rural-urban linkages (Douglass, not dated), claims that the added value of the *rural* as an analytical category is limited. Instead, the concept of “local” economy is deemed more appropriate (Saraceno, 1994b)²⁹. Indeed, a diversity of ruralities makes Murdoch and Pratt (1993) call for “an end to the use of universal or global concepts such as ‘rural’ (or the ‘urban’) and for a concern with the way places are ‘made’”. The third stream of rural conceptualizations holds that spatial categories are merely mental constructs, emerging through social habits and language use, which function as a reference frame in the complex world. Linked with such an approach is a group of rural studies on image and cognitive studies of how the term “rural” functions in public discourses (Richardson, 2000), and the “cultural turn” in rural geographical studies (Little, 1999). Such a non-essentialist

²⁸ OECD (1994) defines rural areas as municipalities (NUTS V) with a population density below 150 inhabitants per square kilometre. Further sub-categories are distinguished between predominantly, significantly and rural regions (at NUTS II) based the share of rural population in the total regional population.²⁸

²⁹ Indeed, an official Polish definition of rural areas is constructed based on non-urban delimitation.

approach to rurality also appears to be in line with some sociological approaches, which increasingly question the fit between horizontal spatial patterns and complex, mostly vertical social structures (Bradley, Lowe, 1984).

2.5.2. Rural typologies

A widely acknowledged rural diversity invites a whole array of rural typologies. They are relatively easy to fabricate in descriptive terms, but their explanatory value is not so easily discerned. Weesp (1999) notes that the explanation shaping development of ruralities defeats any attempts for a simple classification: as “seen as entities, rural areas are as diverse as any other region, and are subjects to a range of conflicting developments” (Weesp 1999: 249). Current typologies of rural areas are a function of objectives as well as of underlying concepts of rural dynamics. Three groups of rural typologies (evolutionary (dynamic); policy; resource), are recognized in current literature and are discussed briefly below.

Evolutionary typologies are underlined by an ordering process (Esposti and Sotte, 2002, Storti, 2000; Ceccato, Persson, 2002). Esposti and Sotte’s (2002), based on a belief that ruralities undergo an evolution along the path from “agrarian rurality”, “industrial rurality” to “post-industrial rurality”, which leads to a clustering of ruralities by employment share in major sectors. A similar analysis is presented by Storti (2000)³⁰. In Sweden, Ceccato and Persson (2002) suggest that key drives for rural change come from specialization and creation of inter-firm networks: their resultant typology is based upon defining units with geographical employment clusters in specific sectors. In France, Henry *et al* (2001) present econometric models of the rural development dynamic by modeling rural population and employment changes related to urban proximity. In the UK, Marsden (1995) argues that the main dynamic paradigms differentiating rural spaces are orientated around: mass food markets, quality food markets, agriculturally related development and rural restructuring (non-agricultural development), with a classification of ruralities generated accordingly.

³⁰ Storti (2000) uses cluster analysis to define rural trajectories based on the following indicators: employment share of primary sector; employment share of tertiary sector; manufacturing employees per thousand inhabitants; wholesale and retail trade employees per thousand inhabitants; hotels employees per thousand inhabitants; and bank establishments per thousand inhabitants.

A Hungarian rural typology (Bauko; Gurzo 2001) exemplifies a resource-based classification, with emphasis on the type of agricultural systems and resources and natural amenities. 90 rural Hungarian microregions are divided into the following categories: predominantly intensive agricultural area; predominantly extensive agricultural area; predominantly protected area; mixed extensive and intensive agricultural area; mixed extensive agricultural/protected area and balanced areas (Bauko; Gurzo 2001). Classification is based on complex indexes characterizing agricultural potential and environmental sensitivity.

Finally, policy classifications of ruralities (at least in the EU) seek to assess rural disadvantage measured by low population density and/or high share of agricultural employment. Selected rural areas eligible for assistance under EU *Objective 2* of the Structural Funds are defined as local systems with a population density below 100 inhabitants per square kilometre and/or with a percentage share of agricultural employment in total employment which is equal or higher than twice the Community average in any year from 1985 on (Regulation (CE) 1260/99). Further EU classifications seek to evaluate locational advantages in relation to urban economies (integrated, intermediate and peripheral zones: European Commission, 1997). EC definitions are more descriptive as follows: a) integrated rural areas, with a growing population, an employment basis in the secondary and tertiary sectors, but with farming still being a key use of land. Facing potential threats to their environmental, social and cultural heritage, some of these areas, relatively close to big cities, risk becoming dwelling areas only and not working areas ("urbanization"); others are developing in their own right; b) intermediate rural areas, relatively distant from urban centres, with a varying mix of primary and secondary sectors; in many countries, larger scale farming operations are found in these areas; c) remote rural areas, with the lowest population densities, often the lowest incomes, and an older population which depends heavily on agricultural employment. These areas generally provide the least adequate basic services; isolating features are often topographic characteristics, like mountains, or their remoteness from transport networks. Clearly, these classifications imply a policy focus on non-agricultural

growth in rural areas. Indeed, the agrarian decline, which is not offset by growth in other sectors, leads to reduced incomes and lack of development.

2.5.3. Spatial units: region, locality and local labour unit

The final point of theoretical background is that of a basic unit for exploring rural diversity. In this respect a tension arises between achieving high spatial sensitivity (Bradley, Lowe, 1984), and the need to avoid burdensome analysis of numerous variables on a lower level (Marsden, 1998). In addition, the application of existing administrative boundaries is argued most appropriate for policy relevance (Montresor, 2002). Generally, four types of geographical units can be considered as potential candidates for spatial rural readings: a region, a microregion, a local labour unit and a locality. Before looking at the functional meaning of geographical unit, one important point should be emphasised. Though conceptually defined as discreet categories, some approaches (notably, Murdoch, 1997) stress networked dependencies with uneasy boundaries between them. The logic of this approach indicates that any geographical distinction will be necessarily artificial and arbitrary.

The basic unit of spatial structure is conceptualized in human geography as a locality, defined as follows:

“a locality can be delineated according to the distance over which effects of the decisions characterize these activities are felt and cause reactions. A large number of decisions, generally concerning the daily needs of people, such as retailing, private organization such as the parish and local government make their effects felt in areas encompassed by not much more than fifteen minutes to half an hour of traveling time” (Hilhorst, 1990: 10).

The locality constitutes the seat of the most primary human zone. For higher rank activities, a concept of a slightly bigger functional microregion has been established and defined as “a set of villages and nearest town” (Hilhorst, 1990:9). Microregions are used for Hungarian rural classification (Bauko; Gurzo 2001). An alternative unit of measurement for rural geographic analysis (usually equivalent in size) is based on functionally defined areas called Local Labour Systems (LLSs)³¹. LLSs are obtained as

³¹ In an LLS, workers who live and work within the area are the highest number, while both residents with a job outside the area and non residents working in the area represent the lowest figure. LLSs make it

aggregations of municipalities identified on the basis of daily labour flows between residential areas (which are mainly rural) and urban and industrial centres. LLSs are the basis for Italian (Storti, 2000) and Swedish rural classifications (Ceccato, Persson, 2002)

2.6. Proposed methodology

Based on the literature above, constrained by data availability and driven by research objectives, the following methodology is proposed for spatial analysis of the relevance of regional ("voivodship") level to Polish rural development policies.

2.6.1. Geographical units

Firstly, the policy relevance of this research dictates references to current administrative boundaries (Montresor, 2002) rather than unbounded territories. Notwithstanding that the EU does permit dynamic geographical associations with no rigid administrative boundaries for some of its policies (notably the Community LEADER Initiative), in this thesis references to current administrative structures will be maintained. The assumption that different rural contexts require a specifically tailored policy mix, explored in much rural policy related research (inter alia, McDonnagh, et al, 2001; OECD: 1994) leads this analysis to concentrate on identifying patterns of commonality and heterogeneity in the Polish rural world.

In particular, we seek to validate the notion of "voivodships" (NUTS II) as functional rural "planning" regions (Blair, 1995), legitimized by internal homogeneity and external heterogeneity. To substantiate internal homogeneity, smaller units of analysis, namely rural communes (NUTS V - equivalent to "localities") will be referred to. All geographical units are assumed to be discreet units and of equal status, largely in line with Saraceno's local economy approach (Saraceno, 1994a). Leakages and multipliers between territorial economies (Leon, 1999) as well as hierarchical network dependencies (Murdoch, 1997) are neglected for reasons of simplification and data availability.

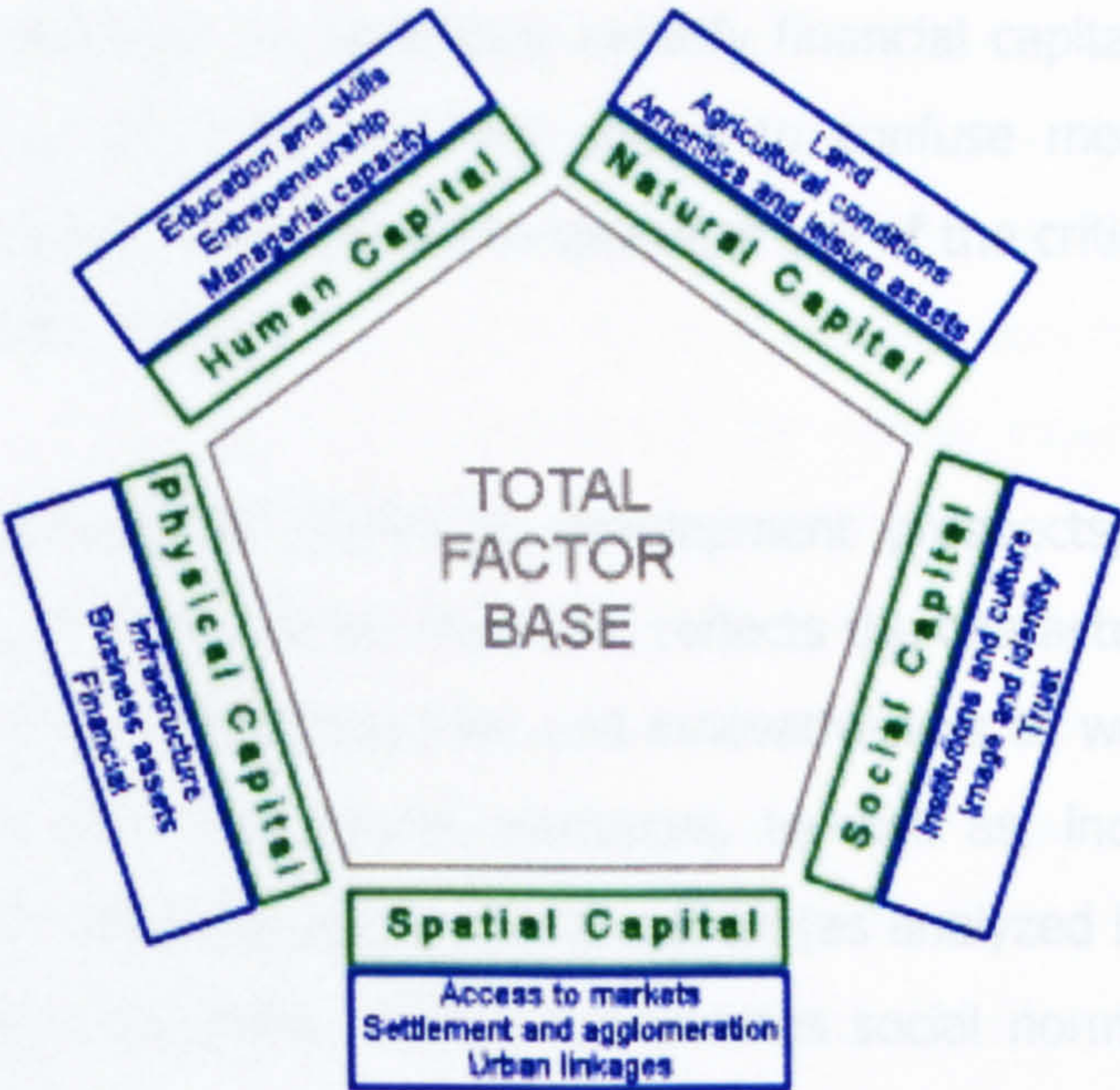
possible to take the functional division of space into account by considering the labour market linkages between rural and non rural communities. LLS is defined based on community information on commuting.

2.6.2. Differentiated rural characteristics and their underpinning

The choice of defining characteristics and their dynamic must reflect an underlying model for rural development if the comparative exercise is to be meaningfully interpreted.

The approach advocated below draws upon the endogenous/exogenous debate (van der Ploeg, 1995) as well as on the livelihoods perspective (DfiD, 2002). The main assumption is that the development trajectory of a given area is driven by its competitive advantage underpinned by a relative resource endowment (Leamer, 1987; Anderson, 1995) (quoted in Harvey, 1998) – Figure 2.1. Areas with fewer resources do less well. The second assumption is the development process consists in capital building (or in other words, expanding resource base)³².

Figure 2.1. Area based rural resource pentagon



Note that the labels attached to each form of capital indicate the potential approximate measures or indicators of each stock.
Source: own, inspired on DfiD (2002), Leamer (1987) and Anderson (1995)

³² The alternative theories claim that the development process has to do with improving efficiency (Temple, 1999). Please note that the difference between the two approaches arises for terminology only. If resources are broadly defined, innovation can be endogenised.

Of course, this is a major simplification. Firstly, Berkum, Meijl (2000) note that the rewards to factors of production change with trade and technological change. Secondly, the link between rural resource mix and rural dynamics needs to be better explored. Thus, the concept of total factor endowment (Figure 2.1), represented on a resource pentagon³³ does not attempt to provide a representation of reality, it merely serves as a mental construct for comparative analysis:

Notions of some types of capital are already strongly established in literature. In particular, *physical capital*, perhaps most clearly defined, relates to physical infrastructure, as well as plant and machinery, as well as financial assets. In DFID (2002) conceptualization of livelihoods framework, the financial capital is seen as a distinct category. However, in territorial context such a distinction does not seem to bring any conceptual benefit. Furthermore, it can be strongly argued that financial capital is the (often primary) means through which the various resource capitals are exchanged and transformed. To separately identify financial capital as one of the five primary dimensions of the resource base seems to confuse means with ends, and structures with processes, and furthermore obscures one of the critical linkages between the locality and its wider world.

The notion of *human capital* (linked to development prospects, as emphasised by Abramowitz (1993), and new growth theorists) reflects the character of the rural labour force, its skills, abilities, entrepreneurship, and innovativeness as well as health. *Natural capital* encompasses land and natural resources, as well as, increasingly important, environmental and landscape qualities. *Social capital* (as analyzed by: Robinson, 2000; Ritzen et al, no date; Fukuyama, 2002) incorporates social norms and standards for cooperative behaviour, trust, and collective cultures including image, identities and networks, and is thus close to the notion of institutions (North, 1990). Unlike Bryden (1998) and Ray (2002), no special conceptual distinction is made here for cultural capital. This concept is strongly associated with both natural and social capitals (institutions), as well as with the relationships between these local capitals and their

³³ Inspired on DfiD livelihoods pentagon (DFID, 2002).

counterparts in the wider socio-economy with which this region or locality interacts. As a consequence, it is not separately identified as a distinct resource base here, though this does not deny that further elaborations of this framework could not include separate identification of cultural aspects of both natural and social capital.

Finally, a new notion of *spatial capital* is proposed here to encompass features of connectivity (and hence, agglomeration economies) as well as access to markets (and, hence, gains from trade) and to seats of political power. The idea of spatial capital is in line with spatial theories, which treat space as a scarce resource (Leon, 1999). Additional spatial features in the broad category of spatial capital reflect urban linkages. This concept echoes the fundamental notion of geography, where development has historically happened round trade routes and transport and communication nodes (and hence around political power nexus) as well as round concentrations of natural resources.

The rural resource pentagon by no means implies that rural development happens exclusively endogenously. Quite the opposite, following the Lowe *et al* (1995) argument, it is assumed that rural development takes place as an interplay between internal and external forces and associated resources. Yet, it is argued here that the internal and external resources mobilized for rural development are neither independent variables (as conceptualized by Lowe), nor exclusively dependent on the networks of social capital (as elaborated by Terluin, 2000). Instead it is argued that access to external resources, mostly to urban linkages and financial capital inflows, is determined not only by social capital, but also by location conceptualized here as part of spatial capital. Spatial and social capital endowments (partly independent variables explaining the exogenous factor mobilization) are area specific. In short, it is the value, and hence attraction, of these internal, local resources to external trading and political partners (or would-be governors) which determine the development potential of a locality, in conjunction with the coherence between local institutions and cultures with those of the locality's economic and political partners or competitors. Thus, the rural resource pentagon implies partial endogenisation of external factors of development, through the

fundamental economic, social and political transactions between the locality and the wider world within which it exists.

Moreover, some exogenous factors, such as macro-economic policies and the overall rate and character of growth in the economy, can be assumed to operate horizontally across space, and cannot therefore be separately identified in a territorial analysis of heterogeneity, yet these common exogenous factors are clearly important in explaining patterns of commonality.

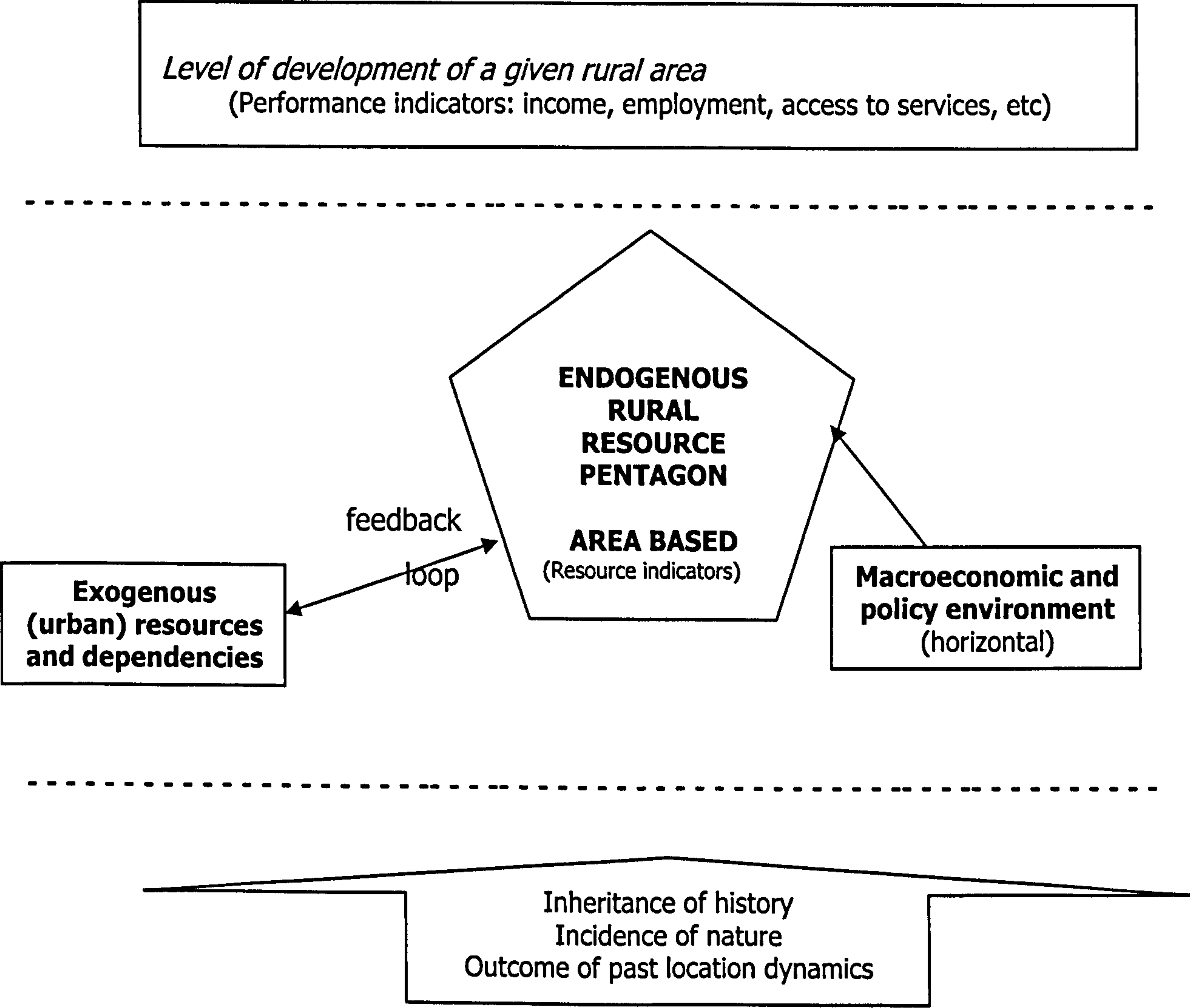
Although the area-based rural pentagon is a useful theoretical concept for thinking about territorial rural heterogeneity, making it operational poses practical difficulties. The key problem is that of identification and measurability. Whilst some types of capital (especially physical, but also environmental) can be identified and measured in quantitative terms, social and spatial resources pose substantially more difficulty, not least due to sample size (more than 2000 ruralities). While a combination of qualitative and quantitative techniques is obviously feasible, qualitative analysis is more appropriate for a small number of cases. For high number of cases, statistical techniques require more numerical data. For this reason, the resource pentagon can mostly be used for interpretation and conceptualisation, yet for the analysis itself a variety of indicators other than resource indicators is needed³⁴. Altogether all types of indicators are required for interpretation. The basic logic for interpretation of rural heterogeneity is explained in Figure 2.2, below.

For heterogeneity analysis, statistical techniques such as Principal Component Analysis (PCA) and Cluster Analysis (CA) are employed. Principal Component Factor analysis (FA) is used as a data reduction technique, useful in dealing with large sets of strongly correlated metric data employed in spatial analysis. The technique allows the reduction of original criteria (attributes or indicators) to a smaller number of dimensions (underlying factors). Factor analysis allows the establishment of key aggregate variables (components) differentiating a data set. PCA will be applied to Polish voivodships to establish the key differences in terms of rural resource structure. For analyzing internal

³⁴ A list of indicators is in Appendix 4.

homogeneity within regions, cluster analysis of ruralities will be performed. Ruralities will be clustered into classes and then cross-tabulated with their regional membership. As a result, regional rural profiles will be produced, with indication of predominant type of rurality and its differentiation.

Figure 2.2. A conceptual model for analyzing spatial rural heterogeneity



Source: own conceptualization inspired primarily on: DiFD (2002), Lowe et al (1995), Terluin (2000)

2.6.3. Advantages and limitations of the proposed framework

This method has a number of advantages and inevitably, some disadvantages. Perhaps its main asset is its clarity and systematic, if not rigid classification order. A large size of

sample coupled with qualitative methods makes it credible for those policy audiences who are wary of qualitative approaches.

The main problem with rural resource comparative methods (as advocated here) is their failure to capture processes of rural change. Indeed, process indicators (for example agricultural specialization, market orientation, or rural industrial development clusters) could shed some specific light on rural adjustment strategies. However, lack of statistical data dooms this attempt to failure. Also, rural change (seen as a change in basic rural structures) fails to be recognized by an essentially static resource-based approach. While this might be overcome using time-series of resource-based measures, the statistical fatigue involved with such large data sets makes it virtually unfeasible, while lack of time-series data makes it completely impractical in this study. However, the essentially static comparative resource framework and exercise can constitute a useful benchmark for future case studies.

Chapter 3

Spatial analysis of agricultural and rural development in Poland

3.1. Objectives and content of Chapter 3

Chapter 3 provides a basic spatial analysis of agricultural and rural development in Poland, the interpretation of which is based upon the theoretical framework developed in Chapter 2 (cf. Section 2.6.). The main research question is whether the voivodship is a sensible unit of rural diversity in Poland and, thus, whether rural policy might sensibly focus on the voivodship level (NUTS 2). Spatial variation is relative. A differentiation between rural areas at NUTS 2 level in Poland is thus depicted in comparison with the horizontal rural-urban divide, regional differences, as well as a diversity of ruralities within regions.

The Chapter is structured as follows. Section 3.2 outlines the main natural and geographical characteristics of Poland, with a special emphasis on rural conditions. Section 3.3. sketches the geographical dimension of Polish history. Section 3.4. outlines the present macro-economic conditions. Section 3.5. presents the regional aspects of Polish economic development. Section 3.6. reports on the relative position of the agricultural and rural sector in the economy in the context of transition, with special emphasis on urban-rural divide in Poland. Section 3.7. briefly reports on the previous studies of territorial variations in rural Poland and examines the main differences between Polish rural regions with the application of factor analysis. Section 3.8. examines the variation of rural conditions within regions using a cluster analysis of ruralities. Section 3.9. draws conclusions on the importance of spatial dimension in explaining the patterns of development of Polish rural areas, specifically on the relevance of voivodship as a spatial rural category in Poland.

3.2. Poland: location and natural conditions

Poland is a relatively big country (of 312 thousands sq km) inhabited by 38 million people, located outside the main economic core of the European development triangle yet on the major trade routes between Europe and Asia, especially between Germany and Russia. Less important trade routes, at least in modern times, lead from north to the south, linking Central Europe with the Baltic Sea. For administrative purposes, Poland is now divided into 16 voivodships, 373 districts and 2489 communes (Map 3.2.).

Map 3.1. Location of Poland



Map 3.2. Administrative division of Poland



Source: Internet resources at : <http://www.cia.gov/cia/publications/factbook/geos/pl.html>
<http://www.rzeczpospolita.pl/regiony>

Poland is mostly flat and has a range of mountains in the south. The coastline in the north is 491 km long. Its climate is temperate with cold winters and frequent showers during summer. The vegetative growing period is shorter than in most of the EU.

3.3. Poland: spatial heritage of history

The present state of economic and social resource endowment in Polish regions comes from the endowments of nature combined with at least 1000 stormy years of history. With a short interval of feudal fragmentation in the middle ages - Poland has been a unitary state with no federalist traditions. However, as parts of the country followed different historical and economic trajectories, Poland features substantial spatial differences.

The differences emerged very early. Already in 15th century, Eastern Prussia was the most developed part of Poland and Mazovia was lagging behind. In 17th century “the differences between more developed and urbanised western areas (Wielkopolska, Silesia, Eastern Pomerania) and less developed regions in Eastern Poland were already very explicit” (Maczak et al 1999: 79). Although gaps in development levels between Polish regions are most commonly attributed to the last two centuries, Jalowiecki (1996) notes that:

“The strength of settlement patterns and agrarian structures indicates clearly that the spatial differentiation of economic structures has very old roots and dates back to very old times, well before the partitions (in end 18th c.). However, the crucial factor for Polish economic spatial relationships was industrialisation of 19th century. Most Polish industrial districts emerged in those times. Neither the industrialisation of the pre-war period nor „socialist” industrialisation” fundamentally changed the industrial geography of Poland, though both introduced important modifications”.

In the 19th century, during the industrial revolution in Western Europe, Poland was partitioned between three countries: Prussia, Russia and the Austrian-Hungarian Kingdom, each of which brought different traditions, cultures and indeed levels of development (Topolski: 1975). The Prussians, who occupied the already better-developed Wielkopolska, Pomerania and Kujawy, facilitated work ethics, education, management and organisation, and what is important for rural areas, an early land reform. Areas under the Austrian rule (Malopolska), though relatively poor, could nonetheless enjoy cultural freedom and rural education (Peasant Universities Movement³⁵). Finally, areas under the Russian rule (Mazovia, eastern Poland), were under highly hierarchical (Russian) and significantly corrupt government structure, cut off from the mainstream European developments and poorly educated. On the other hand, the Western part of Russian territory capitalised on strategic trade location with the East.

The 20th century reinforced earlier patterns. New areas taken from Germany in 1945 (Dolnoslaskie, Zachodniopomorskie, Lubuskie), though relatively well provided with infrastructure, were populated with new inflow of people, mostly from the former

³⁵ Peasant universities developed in 19th and the beginning of 20th century, transferred from Danish traditions. The tradition continues to date.

Malopolska and eastern areas (now, taken over by the Soviet Union) who, however, were only slowly adapting to the new environment or creating viable social networks (Gorzelać, Jallowiecki, 1998).

Figure 3.1. Geographical Inheritance of Polish history: "God's Playground"
Major Shifts in Polish territorial boundaries in 18th-20th century

Map 3.3. Central Europe in 1772 (before the partitions)



Map 3.4. Central Europe in 1795 (after the partitions)



Map 3.5. Central Europe in 1920



Map 3.6. Central Europe in 2000



Colours on historic maps above:

Poland is marked in white; Russia - in green, Austria - in yellow and Prussia (Germany) - in blue. Present-day political boundaries are shown as red lines. Present names of cities are also given

Source: Internet resources at www.polishroots.org

The post-war history of Poland was marked by a series of administrative reforms. In 1950, 17 regions were created with 300 districts (cf. Map 3.7), significantly resembling the present regional division (Map 3.2.). Gorzelać (2000) dates the functional boundaries of districts back 400 years, which "structured the Polish settlement system of

Chapter 3: Spatial analysis of Polish agriculture and rural development

small and medium-sized towns which were the centres of the local economic, labour, service and in several cases also cultural and even ethnic systems" (Gorzelak, 2000:3). In 1975 another reform dismantled the district level and only kept a regional tier with 49 units ("small voivodships"), though with insufficient autonomy or size to perform genuinely decentralized functions (Gorzelak, 2000).

Map 3.7: Administrative division of Poland (1957-1975)



**Map 3.8. Administrative division of Poland (1975-1998)
in relation to the present regional borders**



Source: downloaded from the web at: <http://www.rootsweb.com/~polwqw/maps.html>

The current regional structure (Map 3.2.) of 16 voivodships (regions) was introduced in 1999, and was intended to make good these deficiencies, and also to prepare Poland for

accession to the EU, which was perceived as encouraging regional participation in development and policy processes. It was also a result of strong Polish post-transition pressures for a more decentralized government structure, seen as a clear break with the central command structures of the communist era (cf. Section 1.7.).

3.4. Macroeconomic performance of Poland in the transition period

The recent decade has seen a major transition process in the economy and society of Poland from the centrally planned system towards market economy.

The transformation brought a dynamic fluctuation of GDP levels and structure. Following a sharp decline of –15.5% in 1990, Polish GDP was recovering at a rapid rate of approximately 5 per cent a year to reach 8269 EUR in 1999 (39% of the EU average in PPS, Eurostat: 2002), followed by a visible slow-down since 2000 to 1.3% in 2002. Throughout the decade, Poland had a negative trade balance, rising from –0.8 to –18.5 billion dollars between 1991 and 2001, although total trade flows increased during this period on both sides of the balance sheet. Poland exports mostly machines, metal and metal products, vehicles and ships, textiles, and mineral products, whilst the main imports are mineral products, chemicals, plastics, cars and machines.

The transition shock triggered a very high inflation of 585% in 1990, which took a long time to return to the more stable values of 10% in 2000 and 1.2% in 2002.

In the last decade the unemployment rate showed high fluctuations, starting from politically justified non existence in the communist era, the initial level of 6.5% in 1990 went up to 16% in 1993 when it gradually started to decline as a result of increased demand for labour generated by rapid economic growth, to reach 10.3% in 1997. Since then, unemployment has started to rise again, both due to slower growth and a substantial number of entrants to the labour market (640 thousands in 1998-2000) to reach 16.7 in 2001 and 18.2% in the end of 2002 (more than double the average EU rate at 8.6). Substantial increases in population of working age, projected at 1.154 million by 2005, and 643.000 in 2006-2010, are likely to put the labour market under pressure. Most significantly, half of this increase is projected to occur in rural areas (GUS, 2000).

The composition of the national gross value added has evolved, showing a relative decline of agricultural sector from 7.2% in 1992 to 3.3 % in 2000 and of Industry (from 42.8% to 36.1%) to accommodate the growth in services from 50% to 60.6%. (Ministry of Economy: 2001) yet there are still significant mismatches between labour and added value compared to the EU (Table 3.1), especially in the agricultural sector.

Table 3.1: Match between labour and value added in Polish and EU economy (%)*

		Services and Construction	Industry	Agriculture, forestry and fisheries
added* value	EU	61.2	31.9	6.9
labour		66.4	29.2	4.4
added value	Poland	72.3	25.4	2.3
labour		49.7	22.9	27.4

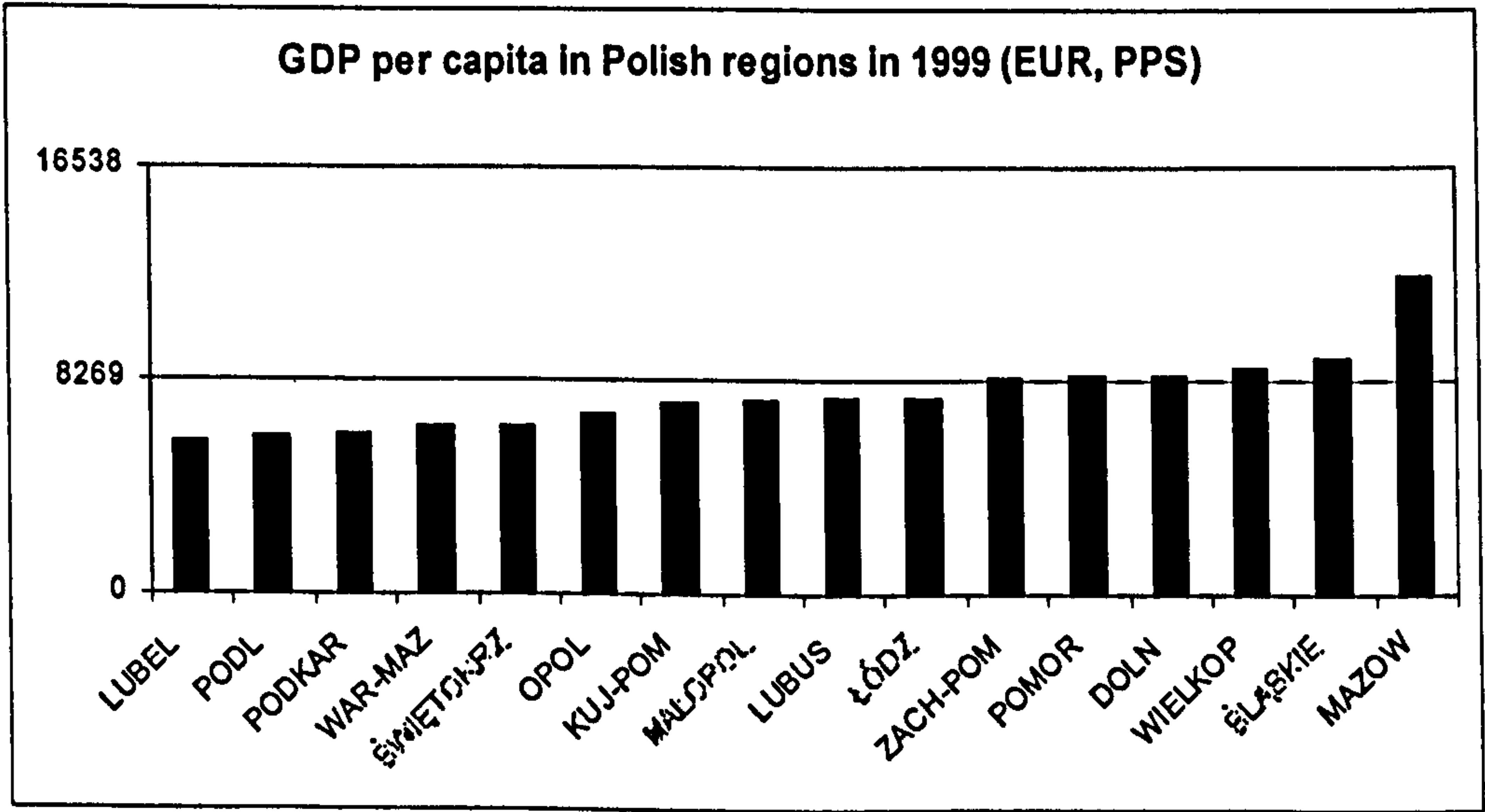
*Labour 1999 data, value added 1996
Source: GUS, Eurostat

Consumers' incomes are low. Today Polish consumer income only reaches about 38% of the purchasing power of the EU average (CEC:2002)

3.5. Regional differentiation in Poland

The economic development in Poland during the transition has been spatially unequal (Petrakos, 2000; Gboccki and Rogacki, 2002; CEC: 1999; Gorzelak, 2000). The levels of GDP per capita in Poland (presented in Figure 3.2) exhibit disparities along the West-East axis with an island of highest growth around the capital city.

Figure 3.2. Levels of GDP per capita in Polish regions in 1999* (PPS, EUR)



*Poland average = 8,269 EUR
Source: Eurostat (2002)

Chapter 3: Spatial analysis of Polish agriculture and rural development

For comparative purposes, the coefficient of regional variation (σ^{36}) is calculated at 0.2, a level of disparity comparable to that of Spain or the UK (Table 3.2.).

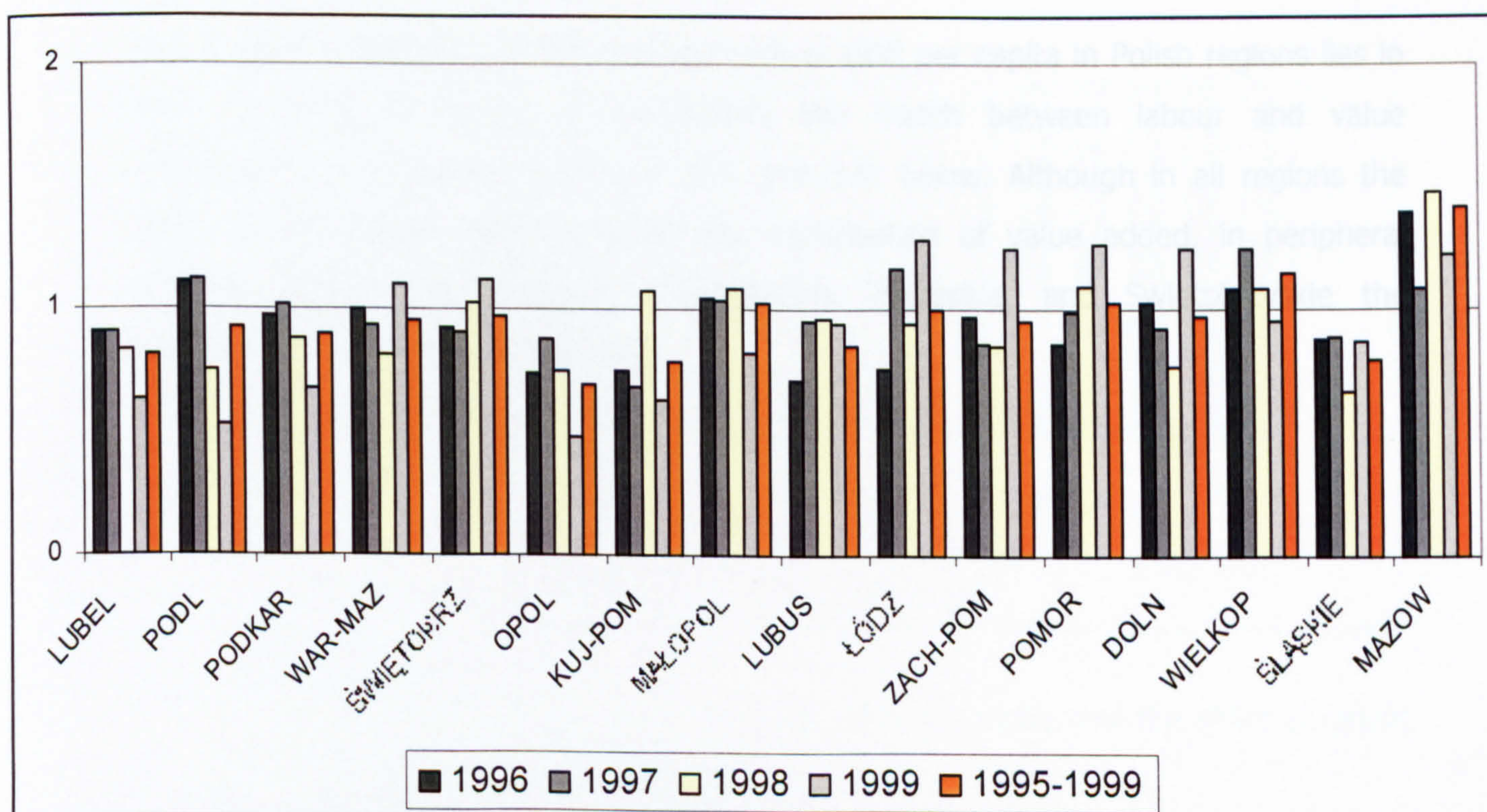
Table 3.2. Disparities in regional GDP per capita in Poland and selected EU member states (at NUTS 2 level)

Disparities in GDP in Poland (EUR, PPS) (1999)	UK (2000)	Germany (2000)	Spain (2000)
Maximum	12,345	33,223	41,025
Minimum	5774	17,499	15,455
Standard deviation	1566	4113	6953
Mean	7669	21,597	23,123
Max/min	2.13	1.89	2.65
σ - coefficient	0.204	0.19	0.30

Source: own calculation based on Eurostat data

Indeed, as indicated at Figure 3.3. Polish economic growth in the 90s was spatially unequal. Figure 3.3. illustrates the dynamic of regional GDP per capita relative to the national average in 1995-1999.

Figure 3.3. Relative GDP per capita growth in Polish regions in 1995-1999*



*All figures represent growth of GRP/capita, relative to the average national growth rate. National average growth rate = 1.

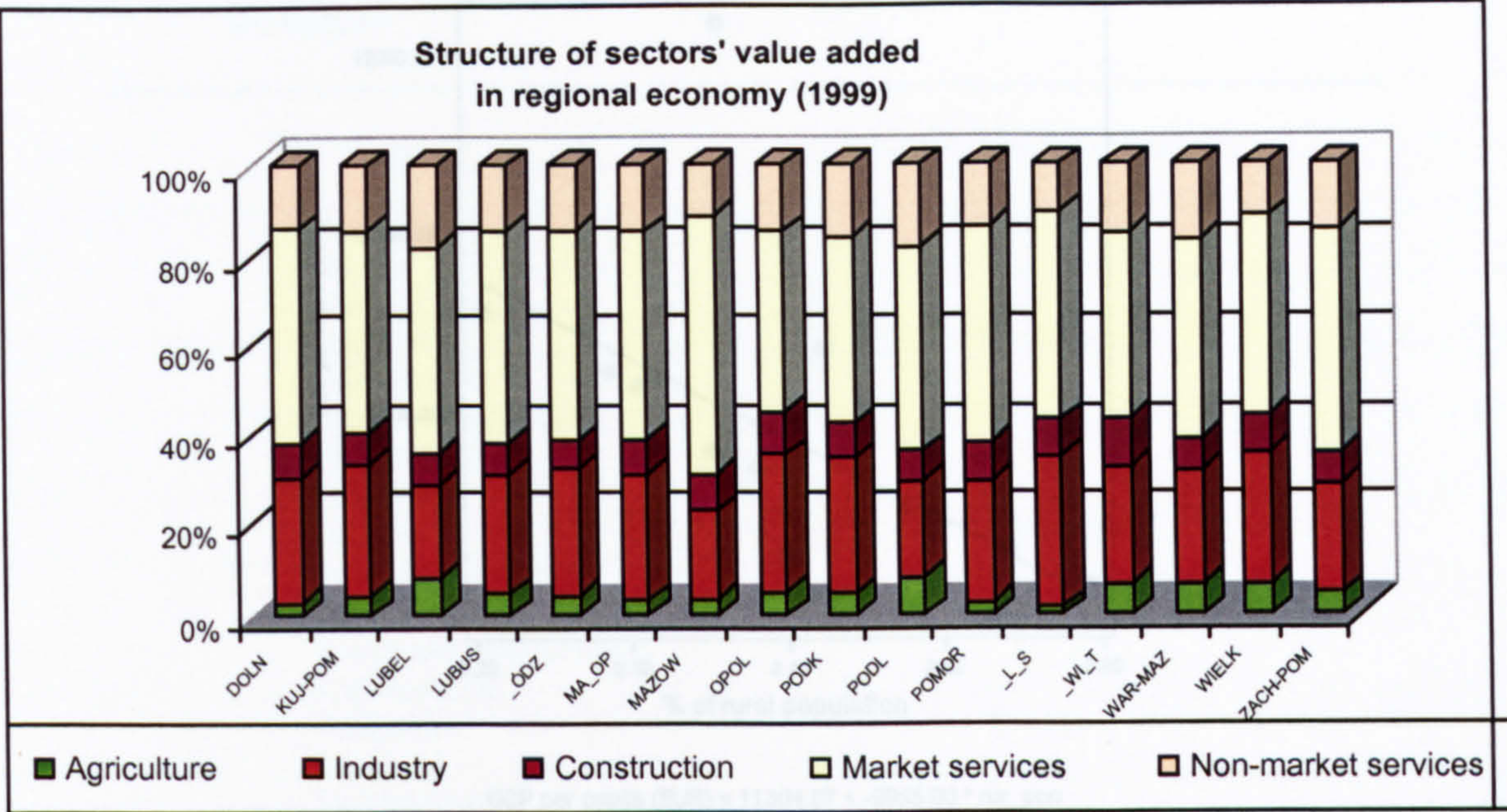
Source: own calculation based on GUS (2002b)

³⁶ σ - coefficient equals the standard deviation of a variable divided by its mean.

Figure 3.3. suggests that there is a growing divergence between the GDP levels in Polish regions in 1995-1999. 7 lagging and mid-regions (Lubelskie, Podlaskie, Podkarpackie, Warminsko-Mazurskie, Swietokrzyskie, Opolskie and Kujawsko-Pomorskie) grew more slowly than the national average (orange column below 1) in the period 1995-1999, though their annual performance was more mixed. Amongst the richest regions, only Mazowieckie and Wielkopolskie grew visibly above the national average, but only Mazowieckie's performance was consistently above the average in the time series examined. Other regions with overall good performance are Pomorskie, Lodzkie and Malopolskie (albeit mid-ranking for the level of GDP), all of which have big metropolitan cities, apparently an engine for growth in the transition period in Poland (Gawlikowska-Huckel, Uminski, 2000). However, the very poorest regions did relatively better than the mid-range regions. Petrakos (2001) attributes divergent trends in the transition economies to a set of complex factors, such as structural change and spatially selective participation in trade as well as agglomeration economies derived from the service sector developing in urban economies (also: Gawlikowska-Huckel and Uminski, 2000).

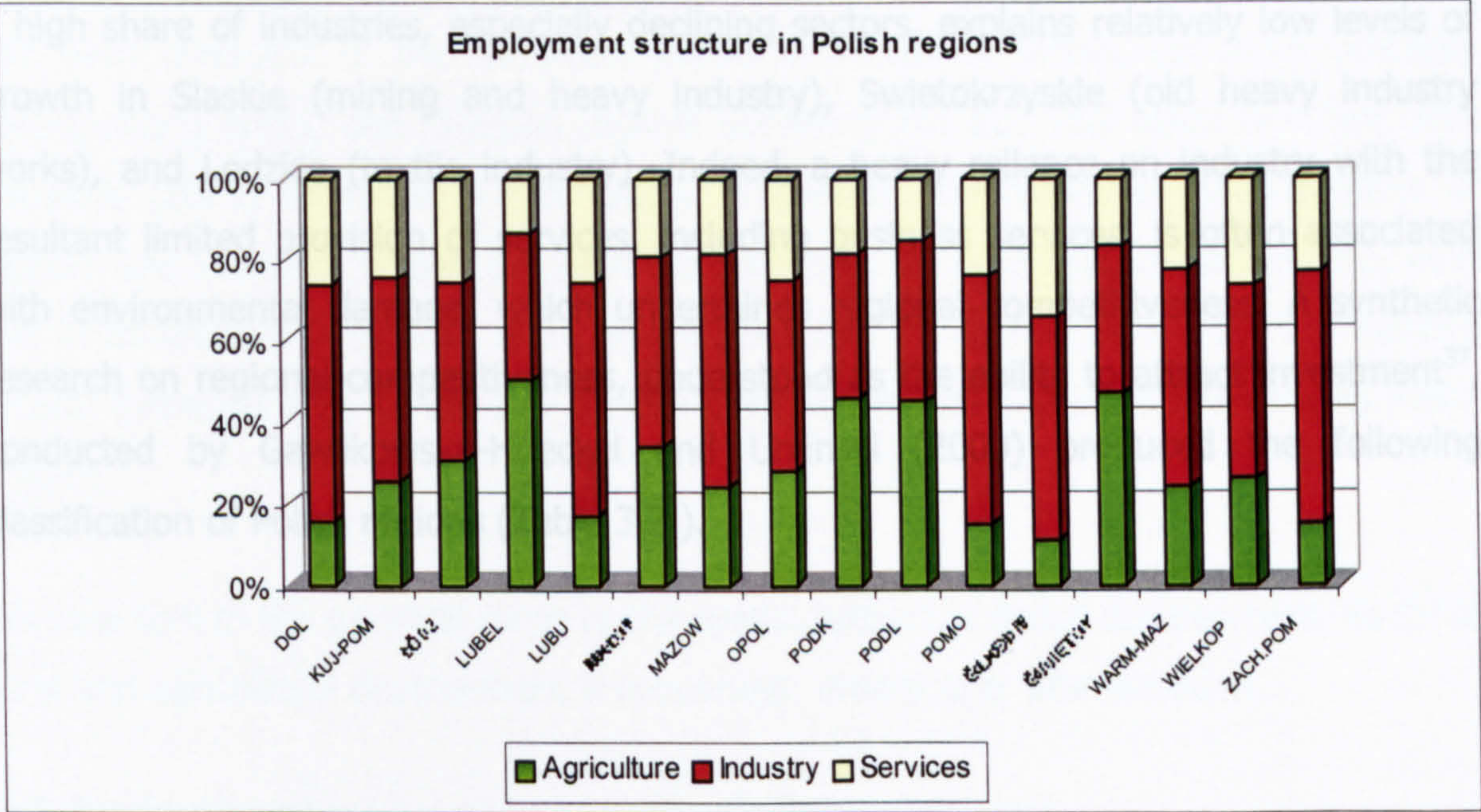
The crudest explanation of the varying levels of GDP per capita in Polish regions lies in their economic structures, in particularly the match between labour and value distribution, as illustrated in Figures 3.4. and 3.5. below. Although in all regions the share of agricultural labour exceeds the contribution of value added, in peripheral agrarian regions of Lubelskie, Podkarpackie, Podlaskie, and Swietokrzyskie the imbalances are particularly striking.

Figure 3.4: Structure of regional gross value added by sectors (1999)



Source: Based on GUS (2000)

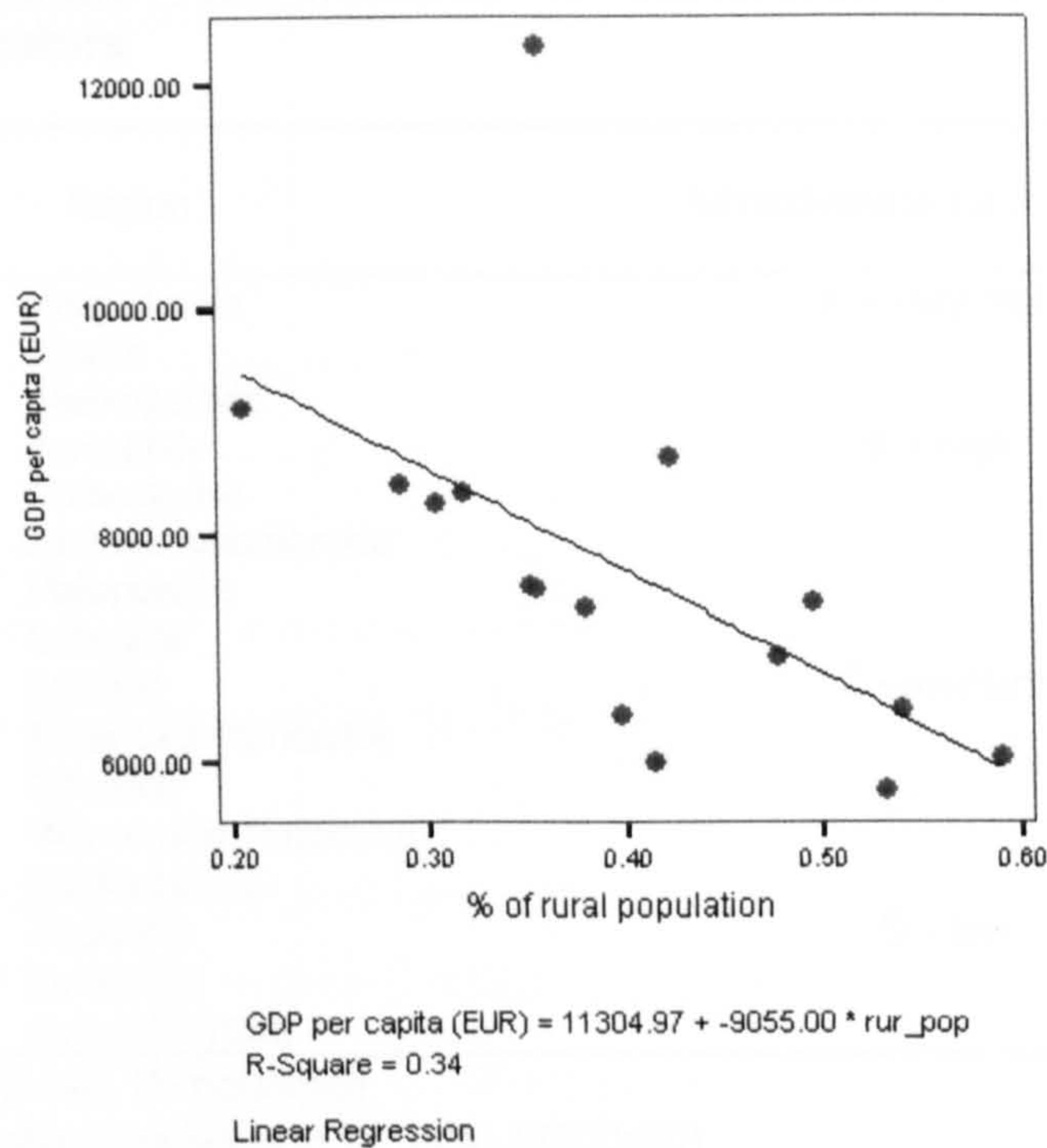
Figure 3.5: Structure of regional employment by sectors (1999)



Source: Based on GUS (2000)

In fact, there is a positive correlation between GDP per capita and the share of urban population, estimated in Figure 3.6. below:

Figure 3.6: Level and urbanisation and GDP per capita in Polish regions (1999)



Source: GUS (2002a), Eurostat (2002)

A high share of industries, especially declining sectors, explains relatively low levels of growth in Slaskie (mining and heavy industry), Swietokrzyskie (old heavy industry works), and Lodzkie (textile industry). Indeed, a heavy reliance on industry with the resultant limited provision of services, including business services, is often associated with environmental damage, which undermines regional competitiveness. A synthetic research on regional competitiveness, understood as the ability to attract investment³⁷, conducted by Gawlikowska-Hueckel and Uminski (2000) produced the following classification of Polish regions (Table 3.3.).

³⁷ The ability to attract investment is seen as one of the definitions of competitiveness. The measures were based on questionnaires sent to 700 FDI companies as well as regional authorities carried out by Institute of Research on Market Economy. The ranking is based on several desirable criteria, such as transport accessibility, market size, business infrastructure, industrial base, economic transformation, tourism attractions and natural environment.

Table 3.3. Synthetic measurements of attractiveness of Polish regions for investors

Region	Attractiveness for investors*
Mazowieckie	A – very high
Slaskie	
Wielkopolskie	
Pomorskie	B – high
Dolnoslaskie	
Zachodniopomorskie	
Malopolskie	C - medium
Lubuskie	
Lodzkie	
Kujawsko-Pomorskie	
Opolskie	
Warminsko-Mazurskie	D - low
Podkarpackie	
Podlaskie	
Lubelskie	
Swietokrzyskie	

*A-best, B-good, C-fair, D-moderate
Source: Gawlikowska-Hueckel and Uminski (2000:60)

The brief analysis above has shown that the development dynamics of Polish regions has been divergent in the transition period in favour of urban, (or more precisely metropolitan) areas, and Western regions bordering the EU. This result is in line with Petrakos (2001) evidence in the CEECs in general. Depressed agrarian regions of Eastern and Southern Poland demonstrate processes of cumulative causation: they rank low in investment prospects and current economic structures alike, yet their relative growth (albeit as a percentage of a lower benchmark) has exceeded mid-ranging Polish regions.

We now turn to the principal focus of the spatial pattern of Polish development, as far as rural and agricultural development is concerned: urban/rural differentiation.

3.6.Agricultural and rural sector in Polish economy

3.6.1. Rural resource base relative to urban resources in Poland

A comparison between the levels of rural and urban resource endowments in Poland reveals a considerable gap, underpinning disparities in economic structures, and levels of development between rural and urban populations, partly attributable to the spatial

patterns left by Polish socio-economic history, and partly reflecting the transition from the centrally planned to the market economy.

Rural areas in Poland³⁸ account for 93.4% of the total land area and are inhabited by 14.8 million people (38% of the total population), which makes Poland a relatively agrarian country compared to the EU average of 26% (1993). The average population density in Poland is 123 persons per sq km, close to the EU average of 116 (1998). Dispersed settlement patterns and small villages (on average 260 persons) mitigate against spatial connectivity and the creation of social bonds, and increase the cost of provision of technical infrastructure (Heffner: 2000).

Poland has abundant agricultural land, which should give the country a comparative advantage in farming (e.g., Harvey, 2000). The area of agricultural land per capita is 0.5 ha. (i.e. at the level close to that of France, Denmark and Greece, however 28% higher than the EU average). The area of arable land per capita amounts to 0.37 ha (the EU average is 0.21 ha).

However, the soils are relatively poor: only 30% arable land is on good or very good soils whilst 23% of arable land is poor or very poor. The Institute of Cultivation and Soil Fertilisation (IUNG) estimates that Polish soils are 25% worse than those in France, Holland, Belgium or West Germany (ME: 2002). In addition Polish agriculture is strongly dependent on weather due to lack of melioration systems (Siekierski: 2000), while it also suffers a more continental (extreme) climate than most of Western Europe.

The levels of human capital in rural areas are considerably lower than in urban areas, as illustrated in Table 3.4. below:

Table 3.4. Educational attainment of Polish rural and urban population (aged 15 and more) (1995)

Educational attainment	Rural	Urban
primary	43.8	27.6
vocational	28.0	24.7
secondary	15.5	34.2
tertiary	1.9	9.8
others (unfinished)	10.8	3.7

Source: Rosner, Frenkiel, 2000:107

³⁸ In accordance to Polish law, rural areas are defined as situated outside the administrative boundaries of the urban zones.

Farmers have on average an even worse level of training than rural population not connected with farming (Table 3.5).

Table 3.5. Educational attainment of rural population: connected with farms and working outside own farm (1996)

Educational attainment	Working on own farms (%)	Working outside own farms (%)
primary	50.4	15.8
vocational	26.1	41.8
secondary	14.4	34.5
tertiary	1.1	7.3
other (unfinished)	8.4	0.5

Source: GUS (1997)

This is consistent with professional mobility outside agriculture being facilitated by better training, and the proposition that people with better education often choose better opportunities outside farms.

The rural population also has a higher share of people pre- and post- productive age, relative to urban dwellers in Poland (Table 3.6). In particular, the farming population is visibly older than the profile of Polish society. This is consistent with the status of agriculture as a declining sector in the Polish economy, and with the transition from a predominantly agrarian society towards a modern mixed economy.

Table 3.6. Age distribution of rural and urban population (1997)

Category	Urban ^{x)}	Rural ^{x)}	Farm population ^{xx)}
Total population	100	100	100
Population pre-productive age (% of total)	24.7	28.8	27.3
Population productive age (% of total)	61.9	55.7	56.0
Population post-productive age (% of total)	13.4	15.5	16.7

^{x)} SYB: state on the 31.12.1997

^{xx)} according to GUS: National Agricultural Census, 1996
Productive age for women 18-59, for men: 18-64

The literature suggests that the levels of social capital in rural areas were seriously depleted in the communist period, producing an atomistic social structure, underlined by lack of solidaristic bonds and feelings of helplessness and pessimism (FDPA: 2001, Kolarska-Bobinska, (et al), 2001), however other sources (such as Swain, 2000) argue also that the peasants developed resourcefulness and ingenuity. On the other hand, the collectivization of agriculture under communist rule also provided considerable social amenities and services (education, health etc.) for the collective labour force. Since the

collapse of the socialist systems, these services have suffered, especially in those areas dominated by collective and state farms.

There is still a considerable, though diminishing gap in the endowment of physical infrastructure (Piecek, 2002). The number of telephone subscribers per 1000 of rural population is only half of the urban rate (139 compared with the urban ratio of 260 in 1999), but the gap has decreased from fourfold in 1990 (respectively 27 and 86) (GUS: 2000). Also, the disparity in the provision of water systems to households in rural and urban areas declined from, respectively, 67% and 95% in 1990 to 82% and 97% in 1999. On the other hand, housing conditions are better (or at least larger) in rural areas: rural dwellings are bigger than urban ones (notably 56 sq. m *versus* 72 sq. m in 1999).

Rural financial provision is also likely to be less than in urban areas. The rural banking system has 2.200 outlets (circa 20% of the total banking network in Poland). Some literature argues that rural finance is under-provided (Siekierski, 2000; Swinnen, Gow, 1998) because of institutional failure due to information costs, and considerable rigidities of rural land and property markets, underpinning problems with collateral and associated transaction costs (Swinnen, Gow, 1998). On the other hand, where capital is scarce, it naturally flows to more competitive and remunerative urban uses. However, the final outcome is uncontested in literature: that investment is poor - the plant and equipment resources of numerous rural businesses are run down (Majewski, Dalton, 2000).

When compared to the EU, Polish rural areas have considerable natural resources, in particular biodiversity and cultural heritage. However, with a limited demand from both urban and rural consumers', their market valuation is low, at least in the short-term. Some of these resources are capitalized in the agri-tourism activities, yet MAFE (2001b) estimates that in 2000 there were only 11,260 agri-tourism farms in Poland, giving only 15,000 direct jobs. Also, rural tourism lags behind urban developments in terms of its base.

3.6.2. Structure of rural economy in Poland

Few data on rural economy are available. Data is simply collected on sectoral or regional bases, and separate specifically rural statistics for value added or rural employment patterns (by sectors) do not exist³⁹. Below, drawing upon the resource base and some structural rural data, we attempt to sketch the economics of Polish rural areas. We assume here that 'rural' is a discrete economic category, separable from the regional entity according to its spatial categorization (cf. Section 2.5.1.).

Firstly, rural incomes are on average 50% lower than those of urban population. In 1999, the monthly disposable income of urban dwellers (per capita) amounted to 639 PLN compared to 441 PLN per capita in rural zones.

Secondly, the role of agriculture in rural economy, at least in purely economic terms, is less important than many stylized facts, and is constantly declining. As indicated in Table 3.7., less than half of Polish rural population is now employed in agriculture. In fact, almost a half of rural people in Poland do not have any land.

Table 3.7. Structure of employment of rural population⁴⁰ (1992, 1998)

	1992	1998
Total employment of rural population	6,200,000	5,943,000
(%)	100%	100%
Outside agriculture	44.3	53.7
Public sector	29.1	23.5
Private sector	15.2	30.2
Agriculture ⁴¹	55.7	46.3

Source: Frenkiel and Rosner (2001) based on GUS (1999)

The relative importance of sectors for rural economy can be roughly estimated based on rural households income presented in Table 3.8. Net of social payments, the income from non-agricultural activities amongst the rural population amounts to 60% of the

³⁹ Analysis based on rural employment patterns by sectors is exemplified by the European Rural Employment Project where, in short, successful regions are those with a growth of non-agricultural rural employment, however clear and useful, cannot be extended or updated because of the lack of statistical data.

⁴⁰ Representative Survey of Economic Activity of Population (BAEL) defines employment on the basis of current economic activity, namely based on activity in the previous week (at least one hour).

⁴¹ As an exclusive or main source of activity. BAEL definition includes persons of 15 years+, who worked on farm at least 1 hour in the week following the survey as a farm user, an assisting family member or as hired labour.

Chapter 3: Spatial analysis of Polish agriculture and rural development

total rural income, income from agriculture consists of 34% and that from self-employment (otherwise defined) contributes about 6%.

Table 3.8. Sources of incomes of rural population in Poland

	Total	From non agricultural paid employment	From social payments	From work on own farm	From self- employment	Others
Number of rural households with main source of income (000, 1995)	4,106	1,152	1,501	1,062	148	208
Share in total rural incomes (1998)	100%	36.1	34.3	20.9	4.7	4.0

Source: GUS, 1995; GUS, 1999

Furthermore, a substantial number of jobs for rural people are located outside rural areas. According to a non representative survey by IERGZ, rural people commute to work in towns (53%: Frenkiel, Rosner, 2001), so we assume that at least⁴² 50% of the income earned by rural households with non-agricultural jobs is generated in the urban (regional) economy. The other half could be earned locally as estimated in Table 3.9. below:

Table 3.9. Income and employment of rural population in Poland

	Total rural household income estimated share in % (1998) (1)	Sources of main income for employed population 1995 (2) (6,882,000=100)	Total rural employment in sectors 1998 (3) (5,943,000=100)
1. Generated external to rural economy:			
Social payments	34.3	21.8	-
Non agricultural jobs in urban economy ⁴³	18.0	18.6	26.8
2. Generated in rural economy:			
Non-agricultural jobs	18.0	18.6	26.8
Work on own farm	20.9	41.0	46.3
Self-employment	4.7	n/a	5.5
3. Others	4.0	n/a	n/a

Note different definitions of employment in GUS, Microcensus⁴⁴ (2) and GUS, BAEL (3)

Source: own estimates and compilation based on:

(1) GUS (1999)

(2) GUS (1995) and Frenkiel, Rosner (2001:124)

(3) GUS (1999) and Frenkiel, Rosner (2001:124)

⁴² At least 50%, since urban incomes and wages tend to be higher than rural ones.

⁴³ Based on assumption that half of rural employees outside agriculture commute to towns.

⁴⁴ Definition of employment in Microcensus covers both current activity (in the week prior to enquiry) as well as permanent activity of at least 3 months per year.

These rough estimates suggest that more than half of income of rural population is either transferred from the state budget in the form of pensions and benefits, or generated in urban economy by commuters. About 40% of rural incomes may be actually generated in rural areas, slightly more outside agriculture than in farming. Also, the role of farming as the rural households income provider (20.9%) is much less important than as employment provider (circa 41%). Vital linkages with urban economies revealed in Table 3.8 include commuting, augmenting the more obvious demand linkages for rural companies and farms.

Rural unemployment in Poland is high, though the official figures are slightly higher for urban than rural areas. However, the rate for the landless rural population is more than double the average rate for rural population as a whole. In reality, the gap between the rural farming population and the rural landless is more attributable to Polish law than to economic reality. Persons (and their family members) who own or rent a farm of above 2 ha do not have the right to register as unemployed, and hence are not counted as unemployed.

Table 3.10. Professional activity of rural population (aged 15 and more) (2001)

	Total (000)	Employment rate*	Unemployment rate
Connected with farm	6,328	58%	11%
Not connected with farm (landless)	5,120	46%	27%

*Total population (aged 15 and more); both full-time and part-time employment

Source: GUS, BAEL (2002c)

The transformation of the economy in the beginning of 90s laid 600,000 rural workers off from their industrial works. Only some of those jobs were replaced by local rural based services, with the rest of the redundant labour contributing to hidden or registered unemployment.⁴⁵ "Hidden" agricultural unemployment is estimated at between 500,000 (Orlowski, 2002) and 900.000 (according to farmers declaration in Agricultural Census⁴⁶ in 1996) and up to 1.8 m. (Rowiski, Wigier, 2001), depending on the extent to which the available farm activities can be counted as providing employment.

⁴⁵ Two types of Polish statistics on unemployment are used. Labour Offices report on registered unemployed (which, legally, exclude farmers); central statistical office (GUS) undertakes regular survey of population's economic activity (BAEL), which defines unemployment as lack of working activity in the week prior to the survey.

⁴⁶ Hidden unemployment defined for Agricultural Census by farmers' own judgement as persons who could leave the farming occupation for other gainful activity without any disturbance in farm performance.

No data are available on the value of non-agricultural economic activities in rural areas. However, data on business development indicate that business density (as the number of companies per 1000 population) registered (in Polish REGON system) in rural areas is half that of urban centers (respectively 47 and 98) (GUS: 2001) with most only serving local markets, primarily in the retail sector (Sikorska: 2001)⁴⁷, where capital needs are relatively low, as are opportunities for growth.

Table 3.11. Rural and urban businesses by selected sectors (31.12.1999)

	Total	Manufac turing	Construc tion	Retail and repair	Hotels and restaurant	Transport Storage	Services to firms	Other services
<i>Urban</i>								
Companies	510,000 =100	12.1	7.7	33.0	2.6	3.1	17.8	12.4
Physical persons	1,854,000 =100	10.0	10.7	37.8	27.5	9.2	13.2	4.1
<i>Rural</i>								
Companies	109,000 = 100	15.3	4.9	20.9	2.8	2.9	5.4	13.9
Physical persons	563,000 =100	15.6	14.5	35.1	3.7	9.5	5.3	2.4

Source: based on GUS (2001)

Weaker rural economies, relative to urban centers, translate into generally weaker tax bases of rural communes (Table 3. 12), in principle an indicator of communes' investment potential (Dzierzoniowski: 2001).

Table 3.12. Index of rural and urban communes' own revenue (G index) in 2000

Commune type	Mean G index	N	Std. Deviation
Urban	274.31	317	89.44
Rural	174.39	1586	87.58
Rural-urban	212.15	568	77.12
Total	195.89	2471	91.96

Commune types defined as administrative categories.

Source: own calculation based on data kindly received from FAPA

⁴⁷ In 2000 Institute of Agricultural and Food Economics (IAFE) carried out a survey of 8643 rural households (both with and without farms) in 76 villages with socio-economic characteristics (in particular farm structure) representative to Polish conditions in all macroregions. In formal statistical terms the sample, however, is not statistically representative.

Given the difference in the living standards (or at least in incomes) between rural and urban areas, and structural difficulties in the rural economy, surprisingly migration as a adjustment method has declined in 80s and 90s from 25.8 to 15.0 (per 1000 population) to reach the positive net balance for the rural areas, unprecedented in the whole post-war period. The explanations include high relocation costs, especially expensive and/or poor quality housing in urban areas, and also limited job opportunities in towns, with greater opportunities to survive in rural areas without gainful employment.

Table 3.13. Rural and urban migrations in 2000

	Urban	Rural
Rural-urban migrations		
Inflow	99,000	103,200
Outflow	103,000	99,000
Balance	-4,200	+4,200

Source: GUS (2001)

3.6.3. Agri-food sector in Polish economy and society

The Polish agricultural sector is worth 24 billion PLN (1998), 4% of the GDP, double the average of 2% in the EU (1998). As shown in the Table 3.8., the agricultural sector provides 20% of rural household incomes and around 40% of employment for rural population in Poland. Though its economic importance has been declining, it still lies at the backbone of rural economy.

Polish farms tend to have mostly mixed production patterns of plant and animal production: 77% of all farms represent a traditional mixed production pattern (CEC:2002).

Table 3.14. Production patterns of Polish agriculture in 2000 (%)

	Total production	Marketed production
Animal	46.7	62.6
Plant	53.3	37.4

Source: MAFE (2001)

Chapter 3: Spatial analysis of Polish agriculture and rural development

Official Polish statistics record over 2 million farms⁴⁸, most of them very small with an average size of 8.5 ha in 2000 (compared to 18.4 ha in the EU in 1999) (cf. Table 3.15.) with only slow structural adjustment. The current farm structure has emerged as a consequence of historic patterns (Szemberg 1999; Glebocki and Rogacki, 2002), notably of Land Reform (of 1944) and settlements on lands taken from Germany (after 1945). Land reform consisted of dismantling big farms and transfers of land to peasants or workers: the new farms were typically of 5 ha, though larger in the “regained territories” (7-15 ha) where more land was available for disbursement. Also the Western and Northern territories had a higher share of collective state farming under the socialist system.

Table 3.15. Holdings and the Land Area in Poland, (1996)

	Total	Farm Sizes (ha)				
		1-2	2-5	5-10	10-15	over 15
No of holdings						
1996	2,041,400	462,200	667,600	520,800	217,200	173,600
Land area (ha)						
1996	14,259,500	650,600	2,199,100	3,713,300	2,631,500	5,065,000

Source: GUS (2000)

Official statistics record 4 million farmers, 27% of the total labour force (compared to the EU average of 4.4 % (1999). However, “farmer” in Poland is defined as anybody who declares themselves being a member of the family owning or using at least 0.1 ha of land, with no reference to income. More realistic estimates, such as in full-time job equivalents, bring the number down to 1.8 million, or, to 2.5 million farmers (10 per cent of labour force) under an economic approach⁴⁹ (Orlowski: 2002).

Large parts of Polish agriculture have no or very loose linkages with the market. Orlowski (2002:8) has produced a useful classification of Polish farms depending on their market linkages. Market-oriented farms occupy 56% of land but only employ 22% of labour, while producing 60% of the total output. The share of market-oriented farms grows with size of farm (Table 3.16).

⁴⁸ GUS defines a farm as a unit with at least 1 hectare of agricultural land, either owned or leased, or as an agricultural plot with less than 1 ha of agriculturally utilized area.

⁴⁹ Total number minus 0.9 mil. pensioners, 0.5 mil. hidden unemployment, and 0.6 mil. working mainly outside of agriculture.

Table 3.16. Linkages of Polish farming with the market

Economic type	% total land	% total employment	% total output	% marketed output
Social	18	42	12	4
Non-market oriented	26	35	28	19
Market oriented	10	8	18	23
Highly market oriented	46	14	42	53

Social farms declared production only or mainly for own consumption

Non-market oriented farms declared sales of below 15,000 PLN

Market oriented farms declared sales of 15,000-25,000 PLN

Highly market-oriented farms declared sales above 25,000 PLN.

All data based on 1996 census.

Source: Orlowski (2002:8)

As a result of limited specialization, fragmentation, poor qualifications of farmers and labour surpluses, the sector's profitability is low. Zawalinska (2002) demonstrates that if Polish farmers are assessed in terms of paid and unpaid (or opportunity) costs (i.e. including a notional return to their own labour and land), 91 per cent cannot cover their full costs and are loss-making. Even if only the costs of paid factors are taken into account, 40 per cent cannot cover their costs with their revenues. Nonetheless, parts of the sector are profit making. According to the Zawalinska (2002) analysis, profitable farms are significantly larger than those that are not profitable. These conditions are not, of course, unique to Poland. Similar analysis of almost any farm sector in the world will reveal similar (though possibly not so extreme) patterns. They are typical of a declining sector, in which those with the least accessible and attractive alternatives will remain the sector at a level little above subsistence.

The transfer of activity into non-farm use depends critically on the accessibility of alternatives. MARD (2001a) notes that non-farm investment is related to closeness to market, mostly to urban centres. According to the 1996 agricultural census, non agricultural economic activities are run by 6.7% of farms located in rural communes, 8.8% of those in urban-rural communes and 15.2% of farms in urban communes. Empirical evidence suggests that higher capital endowments will be associated with stronger labour demand in non-farm sectors and that the marginal returns of capital investment are likely to be higher in non-farm than in most farming activities (Breitschopf, Schrieder, 1999). However, the key impediment to farm diversification in Poland is high regional unemployment (Chaplin, et al, 2002), which limits local demand

and reflects limited availability of alternatives, whilst also indicating an oversupply of under-employed resources.

Foreign trade in agri-food products accounts for roughly 7% of the total imports and exports, yet the share in exports has declined in recent years. The trade balance in agri-food products is negative (at about 10% of the total trade). The main export products are: fruits and processed fruits, milk and meat products. On the import side, key products are exotic fruit and crop and tea and coffee, and cereals. Most of Polish agri-food products are exported to the UE and former Soviet Union. The informal trade economy is said to be important for rural areas, but (of course) no data are available for these activities.

The interpretation of Polish rural systems in transition is disputed both in academic analyses and political discourses. Some studies (Piskorz, 2001; Lerman, Schrenemacher, 2002; Kotlarska-Bobinska et al, 2001) present rural, and in particular agriculture as a “buffer” of change, absorbing the redundant labour released from restructuring sectors of the economy, and hence bound to show relative decline. On the other hand, as pointed out by Majewski and Dalton (2000), though the rural economy in Poland may not have grown in relative terms, it has shared in the benefits of urban zones, for example as a result of increased demand for food and of subsidized programmes of rural infrastructure development. Clearly, the political pressures from rural, and specifically agricultural communities, spring from the relative decline in their financial status: compared to national average the level of wages declined from 110 in 1994 to only 60 per cent in 1994 (Domanski 1994: 58). Research by Kostova, Johnson (2000) confirms the relative decline of welfare in farmers’ households in the period 1987-1992. There are still a lot of people in the rural areas, and they are not well-off by the standards of their urban counterparts. In a democracy, one should expect that their voices will be heard. But does this mean that rural development policies should be regionalized?

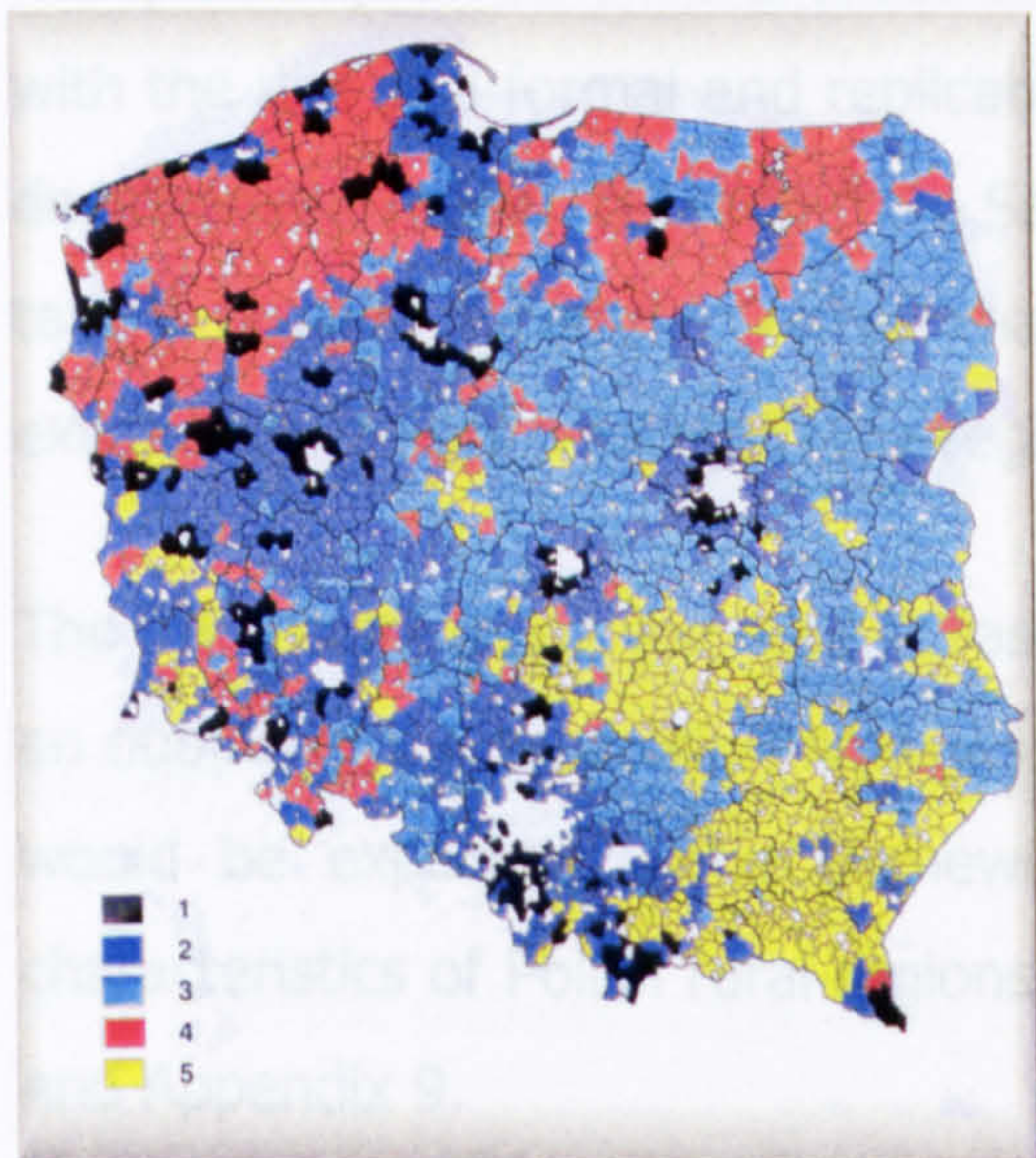
We now turn to the central question for this Chapter: an examination of how the regional development patterns in conjunction with urban/rural divide translate into the regional patterns of rural development in Poland.

3.7. Territorial variations in rural and agricultural sector in Poland

A growing interest in the regional and territorial dimensions in Poland (discussed in Chapter 1) has generated a series of studies in the area of agricultural and rural development policies (Szemberg, 1999; Heller, 2000; Heijman et al, 1999; Michna, 2001; Rosner (ed), 1999) (see Appendix and maps in Figure 3.7.).

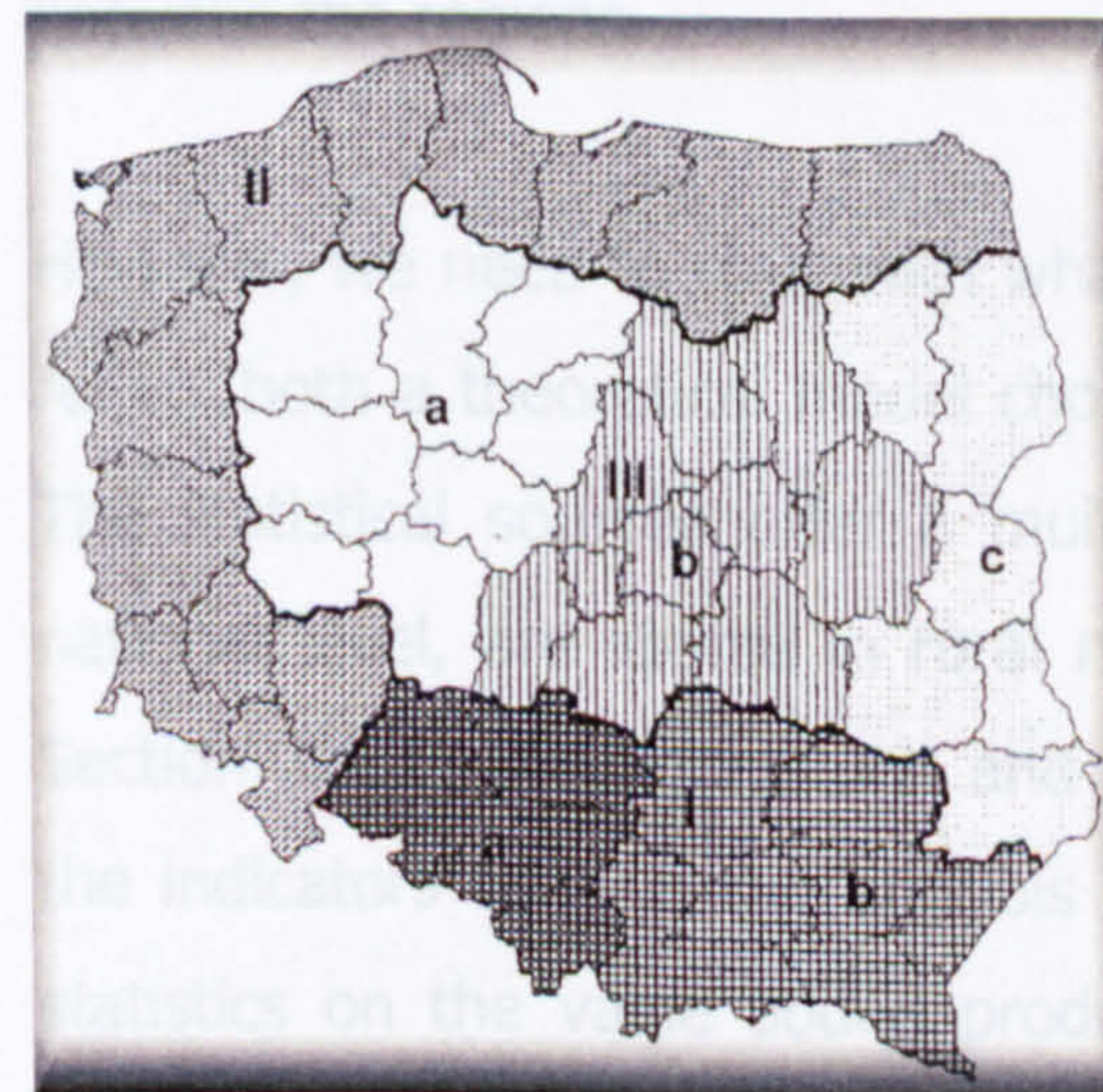
Figure 3.7. Previous geographical studies of Polish rural areas

Map 3.9. Division by Rosner (ed) (1999)



Classes of communes by level of economic development
1 (black) best developed
2 (dark blue) developed
3 (blue) fairly developed
4: (red) poorly developed
5: (yellow) underdeveloped

Map 3.11. Division for rural policy (MARD: 1999)



Map 3.10. Division by Michna (2001)



Map 3.12. Division by Heller (2000)



Chapter 3: Spatial analysis of Polish agriculture and rural development

All analyses conclude that there is a territorial variation in the patterns of Polish rural development. However, the logic and evidence underlying these several different but similar regional demarcations is typically rather thin. With the notable exception of the Rosner (ed) (1999) study, which is based on commune levels, these studies make limited reference to existing territorial units. Instead, they typically seek to identify macroregions. In most cases, the explicit methodology is missing, both in terms of data aggregation and the underlying development model. Thus, there is a need to reassess the spatial dynamics of rural areas in reference to the current administrative boundaries, with the use of a formal and replicable methodology, and underlined by an explicit rural development model. As seen from Section 3.6.2. and Chapter 2, such a model needs to take a broader territorial (rather than purely agriculturally based) view and to include exogenous factors relating to the regional economy.

The framework employed here is based on the discussion in Chapter 2 above. It includes an outline of the theoretical linkages as well as the relationships between indicators that would be expected. The framework is illustrated in Figure 3.8 below. The main characteristics of Polish rural regions, as specified in this figure, are given in Appendix 3 and Appendix 9.

Factor analysis is used to identify the major dimensions underlying differences in rural resources and the resulting economic structures of Polish rural regions in order to arrive at a synthetic *rural resource index* for each Polish rural region. The variation between the values of the index for each region then provides an indication of differentiation between the regions.

However, we need to start with what we measure. The indicators used for the analysis reflect both a theoretical model chosen (cf. Chapter 2) and the availability of statistics. The statistical sources offer a multitude of agricultural indicators but, similar to the national level, are sparse in rural non-agricultural data. Although, as demonstrated in Section 3.6.2., the agricultural and non-agricultural businesses carry equal importance, the indicators used in the analysis for Polish rural areas have an agricultural bias. No statistics on the value added produced in the rural areas outside farming is actually available (cf. main missing indicators (?) in Figure 3.8.).

The second point is the separation between rural and regional indicators. Despite strong linkages between urban and rural economies (highlighted in Section 3.6.2. as well as in Chapter 2), the distinction needs to be retained for a comparison of the regional variation of rural resources and structures with a horizontal rural-urban divide (Section 3.6.1.). Thus, this analysis takes a traditional view on the rural category, albeit recognizing linkages with wider regional economy. Indicators related to the wider regional economy are, however, treated as exogenous.

The third point is that some indicators reflect more than one type of capital. For example rural business density indicates not only physical but also human capital (if not also linked to spatial and social types).

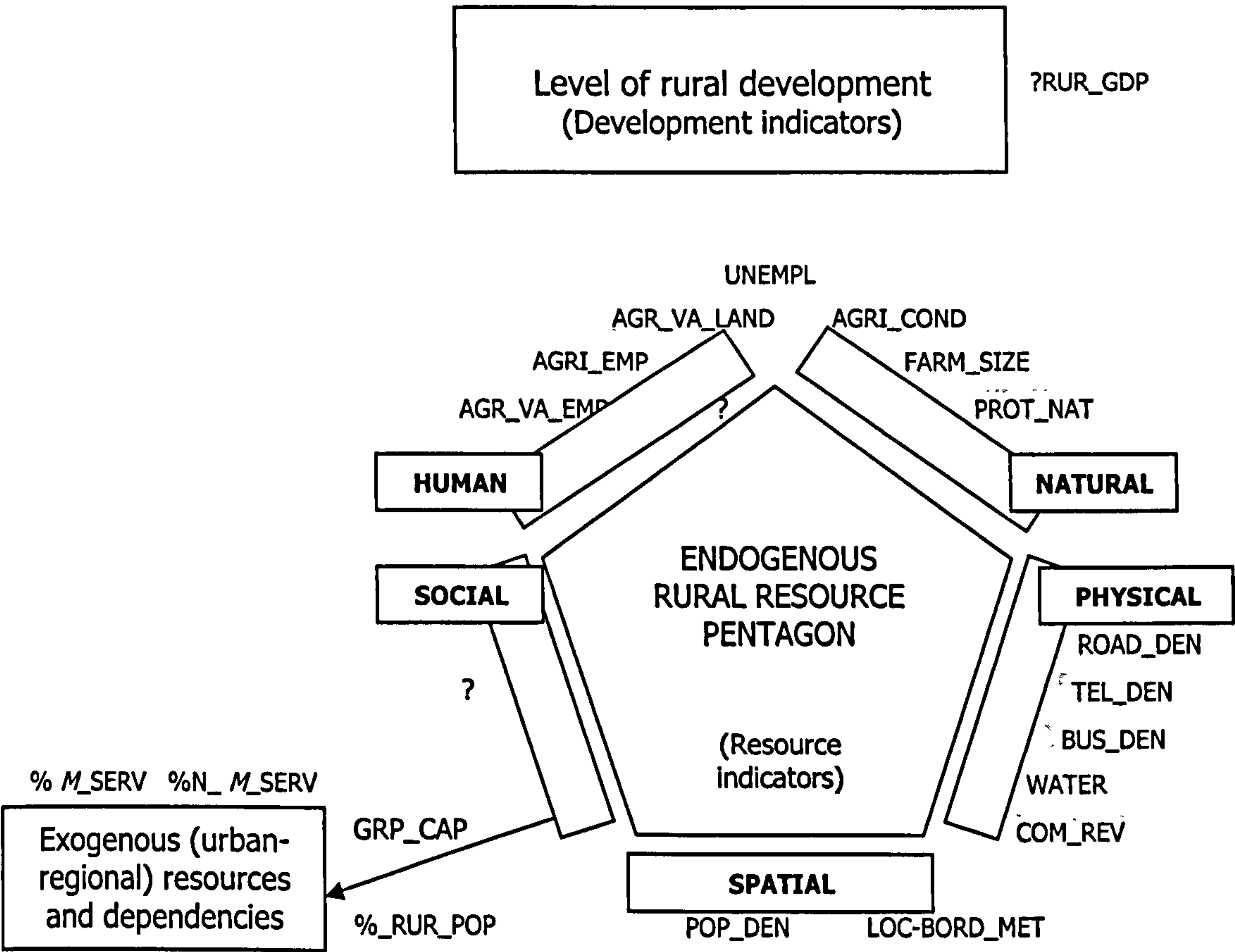
The fourth constraint is lack of quantitative data on human and social capital. Proxies also have to be used for spatial capital (e.g. rural population density).

Finally, more detailed comments are due. The indicator for sewage provision is not applied, since it exhibits very high and largely uncorrelated variations in conjunction with the very low general average level. Farm size is used as a (very approximate) proxy for farm profitability.

A list of indicators used for the territorial analysis and their linkages to the overall conceptual model is presented in Figure 3.8 (with detailed explanation of indicators in Appendix 4). It is clear that the analysis is general in nature, suitable to our general research questions. For detailed territorial analysis, case studies supplemented by the quantitative angle or GIS methods would be more appropriate, as and when appropriate data and resources for their analysis become available.

From the regional settlement pattern point of view, defined as a share of rural population in total regional population, Polish regions are all intermediate (15% - 50% of population classed as rural) with an exception of three predominantly rural regions of Lubelskie, Podkarpackie and Swietokrzyskie (above 50%).

Figure 3.8. Main indicators for analysing diversity of Polish rural conditions and their relevance to development framework⁵⁰



Descriptive statistics for Polish rural regions are given in Table 3.17.

⁵⁰ Abbreviations: ?RUR_GRP gross rural regional product
GRP_CAP gross regional product per capita
AGR_VA_EMP value added per person employed in agriculture
BUS_DENS density of rural economic units registered (per popul)
UNEMPL registered rural unemployment
AGR_EMPL agricultural labour per 100 ha of agricultural land
AGRI_COND index for the quality of natural conditions for agriculture
FARM_SIZE average farm size (ha of agricultural land)
PROT_NAT legally protected nature conservation zones as % of total area
ROAD_DEN Commune paved roads
TEL_DEN Telephone subscribers per 100 rural households
WATER access to water systems
SEW_DEN provision of sewage system (to farms, in %)
POP_DEN rural population density
COM_REV index of own tax revenue of rural communes (G indicators)
%_RUR_PO share of rural population in total regional population
%_M_SER % of regional employment in market services
%_N_M_SER % of regional employment in non-market services (public sector)
LOC-BORD_METRO presence of Western border/metropolitan town

Spatial analysis of Polish agriculture and rural development

Table 3.17. Variables characterising Polish rural regions: descriptive statistics

	Minimum	Maximum	Mean	Std. Deviation
<i>Endogenous resource variables</i>				
Agricultural labour per 100 ha	7	54	24	14
Average farm size	3	27	11	7
% of environmentally protected areas	16	58	33	13
Telephone subscribers per 100 rural population	10	15	13	2
% of rural dwellings connected to water system	64	100	85	14
Density of local paved roads	.170	.500	.31	0.09
Rural population density	32	137	66	27
Value added per agricultural employee/worker	4	23	11	6
Rural businesses per 1000 population	33	58	45	8
Registered rural unemployment	7	30	16	6
Rural commune own revenue (G index)	143	305	207	40
<i>Exogenous (regional) variables</i>				
Share of rural population (%) in regional population	21	59	40	10
GRP/capita	11112	23760	14760	3113
Share of market services in regional added value	53	75	60	4
Share of agriculture in regional employment	11	50	28	13
Share of non market services in regional employment	36	62	49	9

Source: own calculation based on GUS data

We begin with an examination of the inequality in the rural resource base and economic structures between Polish voivodships.

In order to arrive at a single index of rural development resources and potential in regions, we adapt a method developed by Heijman *et al.* (1999) for welfare. They have conducted a multivariate technique of factor analysis, arriving at an index based on the major factor.

We choose a basic set of correlated endogenous indicators with one partly exogenous indicator (share of rural population in total regional population). Other slightly different combinations of indicators have been tested (see Appendix 8). They yield a similar result, but they are less well correlated than the chosen combination.

Table 3.18: Indicators of rural resources and their influence of the overall rural development index

Indicator	Influence on rural development index
Agricultural employment per land unit	Negative
Farm size	Positive
Registered rural unemployment	Negative
Agricultural value added per employed	Positive
Share of rural population in total	Negative
Road density	Positive
Rural commune own revenue	Positive
Water provision	Positive
Population density	Positive*
Density of rural businesses	Positive
Rural telephone subscribers	Positive
% of environmentally protected land	Positive**

*Assuming the congestion effects are not present in Polish rural development context as yet.

**Although the argument of the contribution of natural amenities for rural development seems to be valid only in presence of valuation of those resources. In absence of the right (market or non market) valuation of resources, the rural population simply covers costs of maintaining the otherwise productive land.

The correlations between variables are presented in Appendix 3. Interestingly, strong correlations between rural business density and GDP/capita (0.72) and the share of rural population in regional population (-0.79) indicate that rural business development might be exogenously driven – originating in the urban rather than rural economies.

With the aid of SPSS software, we apply factor analysis to identify a smaller set of underlying dimensions to explain interrelationships with a minimum loss of information. All variables have been standardized (Nijkamp, 1979) to values 0-1 in order to ensure comparability and to include the direction of influence. In the course of standardization for positive variables, the highest score has been given a value of 1; for the negative variable a value of 0 has been attributed. The other scores have been given, respectively, the indexes of the actual score divided by the maximum. Two tests have been applied to assess the validity of factor analysis. The Kaiser-Meyer-Olkin measure of sampling adequacy is used in order to determine whether the data matrix has sufficient correlation to justify the application of factor analysis. Bartlett’s test of sphericity is used to determine the significance of the correlation matrix in order to test

Spatial analysis of Polish agriculture and rural development

the hypothesis that the correlation matrix is the identity matrix. The results show that the factor analysis can be applied in a meaningful way.

Table 3.19. KMO and Bartlett's Test for Factor Analysis of Polish Rural Regions

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.482
Bartlett's Test of Sphericity	Approx. Chi-Square 159.496
	dtf 66
	Sig. .000

Source: own calculation

The three-factor solution has been generated (Table 3.20) based on the standardized variables.

Table 3.20. Key factors differentiating Polish rural regions (principal component analysis)

Variables (standardized)	Factors			Commonality
	1	2	3	
Agricultural employment per ha	.887	-.182	-.375	.960
Farm size	.886	-.299	-3.872E-02	.875
Registered rural unemployment	-.806	9.365E-02	-.402	.820
Agricultural value added per employed	.775	.252	.201	.705
Share of rural population	.757	3.666E-02	.117	.587
Local road density	-.739	.529	.123	.841
Commune own revenue	.676	.613	-7.367E-02	.839
Water provision	.620	.419	.401	.721
Population density	-.562	.620	.496	.946
Density of rural businesses	.469	.763	-1.398E-02	.803
Telephone subscribers	-.325	.434	-.634	.695
% of env'lly protected land	-.308	-.409	.749	.822
Eigenvalue	5.518	2.349	1.747	
Variance	45.98	19.57	14.56	
Cumulative	45.98	65.55	80.12	

Source: own calculation.
Note: these loadings and contributions to total variance are robust with changes in the number of factors considered.

The regional factor scores for first factor are shown below (Table 3.21). The scores reflect the measured rural structures and resource base across Polish regions in a synthetic manner. In fact, the differences between single voivodships do not appear significant. The voivodships visibly cluster into four categories (the macro-regions, identified in the previous Polish studies, illustrated in the maps (3.9; 3.10; 3.11; 3.12)

above, and detailed in Appendix 1).

Table 3.21. Rural resource index of Polish regions based on multivariate analysis (First factor score)

	Rural resource index	Rural resource and structure type	Meta region
Zachodniopomorskie	1.55	1	
Warminsko-Mazurskie	1.48	1	North-Western
Lubuskie	1.17	1	meta region
Dolnoslaskie	.99	1	
Pomorskie	.86	1	
Opolskie	.21	2	
Wielkopolskie	.11	2	Central-Western
Slaskie	.08	2	meta region
Kujawsko-Pomorskie	.04	2	
Mazowieckie	-.38	3	Central-Eastern
Lodzkie	-.45	3	Meta region
Podlaskie	-.61	3	
Lubelskie	-1.07	4	
Podkarpackie	-1.17	4	South-Eastern
Swietokrzyskie	-1.21	4	meta region
Malopolskie	-1.60	4	

Source: own calculation

Indeed, the classification in Table 3.21. is clearly agriculturally based. As seen from the composition of the first factor (Table 3.20) and confirmed by the ANOVA (Appendix 5) the regional clusters (meta regions) are significantly different only in terms of agricultural employment per land ($F=16.0$), farm size ($F=10.7$), value added per agricultural labour ($F=7.2$), rural registered unemployment ($F=11$), share of rural population ($F=7.5$) and water provision ($F=9.9$). Clearly the differences between regions will necessarily exhibit agricultural bias, since they are based on underlying variables with this same bias.

Our initial measurements were underrepresented for non-agricultural business development and employment. Therefore, we look separately at the only available

indicator, namely rural business density. We have already indicated that it might be driven exogenously. This variable is closely associated with factor 2 in Table 3.20, which indicates that there is an alternative distinguishing factor to the predominantly agricultural factor (1) between Polish regions. The third factor is heavily influenced by the environmentally protected land variable, suggesting that this is also a distinguishing factor between regions. However, this is not pursued in any detail here, since it does not materially affect the major point of this analysis – to identify the correspondence of of administrative regions with regional diversity (section 3.8 below).

A classification of rural regions in Poland is shown in Table 3.22, based purely on business development, as a proxy for non-agricultural rural development in the absence of data of rural employment on the regional level. Regions are again clustered into four categories on this basis.

Table 3.22. Rural business profile across Polish rural regions

	Registered rural businesses per 1000 population	Cluster	Level	Locational advantage - disadvantage
Slaskie	58	1	Very high	Metropolitan
Zachodniopomorskie	56	1	Very high	Western border
Dolnoslaskie	53	1	Very high	Western border
Lubuskie	51	2	High	Western border
Wielkopolskie	50	2	High	Metropolitan
Mazowieckie	50	2	High	Metropolitan
Pomorskie	49	2	High	Metropolitan
Malopolskie	46	3	Medium	Metropolitan
Lodzkie	46	3	Medium	Metropolitan
Kujawsko-Pomor	45	3	Medium	Not
Opolskie	40	3	Medium	*Special case
Podkarpackie	37	4	Low	Peripheral
Podlaskie	36	4	Low	Peripheral
Swietokrzyskie	36	4	Low	Peripheral
Warminsko-Mazur	35	4	Low	Peripheral
Lubelskie	33	4	Low	Peripheral

*Special case: Opole region has a substantial share of population with dual citizenship (Polish-German) who work abroad.

Spatial analysis of Polish agriculture and rural development

The ANOVA analysis has been performed to identify the differentiating factors between regions with four different levels of business development (Appendix 6). The results indicate that the meta-regions representing classes of rural business development differ significantly only in terms of one exogenous factor, namely GDP per capita. Factors such as the levels of agricultural development, urbanisation or infrastructure provision do not appear significantly different between groups.

A closer look at the regional ranking in terms of the rural business development (Table 3.22.) suggests that the leading regions have locational advantages (different levels of spatial capital), a pattern already identified in the logic of regional development in Poland (cf. Section 3.5). The two rankings of rural conditions in Polish regions, one mostly in terms of agricultural development, and the other one, in terms of non-agricultural development do not correspond closely, as would be expected, since the latter emphasizes a single measure while the former includes a number of different (even if predominantly agricultural) measures. The most striking difference is exemplified by Warminsko-Mazurskie region with a very high rural resource index and a low rural business index largely due to peripheral location.

Table 3.23. Regional rural resource index and rural business development categories of Polish rural regions

	Rural resource category (but agriculturally biased)	Rural business development category
Zachodniopomorskie	1	1
Warminsko-Mazurskie	1	4
Lubuskie	1	2
Dolnoslaskie	1	1
Pomorskie	1	2
Opolskie	2	3
Wielkopolskie	2	2
Slaskie	2	1
Kujawsko-Pomorskie	2	3
Mazowieckie	3	2
Lodzkie	3	3
Podlaskie	3	4

Spatial analysis of Polish agriculture and rural development

Lubelskie	4	4
Podkarpackie	4	4
Swietokrzyskie	4	4
Malopolskie	4	3

Source: own

Notably, the Eastern regions of Lubelskie, Podkarpackie and Swietokrzyskie appear to be disadvantaged both in terms of rural index and rural business development. This comparison strongly suggests that a better measure of spatial capital (the linkages between the territory and its surrounding socio-economic environment) would improve the regional identification and characterization. However, it does not suggest, especially in conjunction with other spatial analyses in the literature, that the basic meta-regional character of Poland is spurious. Whether or not the administrative regions provide a useful mirror of this meta-regional pattern remains to be seen.

3.8. Polish rural localities across regions

The analysis of spatial variation undertaken above so far has taken for granted the validity of regional grouping – the voivodship. Now we proceed to test if Polish voivodship designation is appropriate for rural planning regions characterized by internal homogeneity (Blair, 1995). To substantiate the internal regional homogeneity, a smaller unit of analysis is needed, namely the communes (NUTS 5). Classes of communes are defined by means of cluster analysis performed with SPSS software.

The commune can be taken as the basic unit of rural space, in conceptual terms, an equivalent of a rural locality (cf. Section 2.5.3.). Communes have a functional meaning beyond a purely administrative one, acting as a place for provision of local services and relatively well-established governance structures. The commune is also a locality in purely spatial terms. The area of Polish rural communes ranges from 11.3 sq km to a maximum of 624 sq km, with a mean of 137 sq km, within the functional boundaries “of not much more than fifteen minutes to half an hour of traveling time” (Hilhorst, 1990: 10). Research (outside the boundary of this study) is needed to evaluate to what extent internal identities and bonds operate within communes to justify terming them as “communities” with local identities (Gorzalak, 2000): as local milieux with connections

via a myriad of formal and informal contacts and shared values and interests, for reducing information costs and transaction costs. Even then, the commune does not correspond to a functional microregion (Hilhorst, 1990:9), defined as “a set of villages and nearest town” More than 70% of Polish rural or urban-rural communes do not contain towns at all⁵¹. Also, communes are too small to be an equivalent of Local Labour Systems (for definition see: Storti: 2000) delineated for commuting distances. Nevertheless, and despite these obvious drawbacks, the commune level data are the only ones available to examine the proposition that the regions (voivodships) are sufficiently internally homogeneous to be a useful focus for rural development programmes.

The analysis covers 2085 communes (or parts of communes) defined as rural-based on OECD criteria⁵² and marked as such in the Bank Danych Lokalnych (BDL- Bank of Local Data) database maintained by the Polish statistical office (GUS). Selected data on agricultural conditions, commune revenues, and rural infrastructure provision has been gratefully received respectively from the Ministry of Agriculture and Rural Development, FAPA and the Institute of Rural Development (IRWiR).

Allowing for the outliers and missing data⁵³, the analysis is performed on the total group of 2009 communes. Unlike in the case of regions, the choice of indicators (cf. Table 3.24) is not agriculturally biased but no exogenous categories have been included. The ANOVA table (3.24, below) indicates that there is an association between the commune variables and communes' location within a region, with the highest F indicators for registered unemployment rates, population density and farm size variables. The ANOVA analysis confirms a general regional pattern amongst ruralities in Polish regions. Among these variables, variance within regions is significantly smaller than between regions. However, this is not to say that the existing regions are necessarily a homogeneous clustering of communes.

⁵¹ Three administrative types of communes are officially recognized: urban communes (municipality with a local council for one large or medium-sized city), rural (municipality composed exclusively of rural settlements) and rural-urban (municipality with a local council for one town and several nearby villages). Out of 2489 Polish communes, 316 are designated as urban, 567 are urban-rural and 1606 are rural. However, our analysis is based on OECD criteria of rurality, not Polish administrative categories.

⁵² OECD defines “rural” based on population density below 150 persons/sq km at local territorial units level.

⁵³ The analysis covers all communes in Poland classified as “rural” according to OECD criteria. Due to occasional change in commune numbers/borders in some cases the data is missing (64, notably 3%), mostly for rural-urban communes. In addition, 16 outliers have been excluded from the analysis, leaving in total 2009 valid cases.

Spatial analysis of Polish agriculture and rural development

Table 3.24. ANOVA: Basic rural variables at commune level within regions and between regions (by F value)

		Sum of Squares	df	Mean Square	F	Sig.
Unemployment rate in district	Between Regions	49724.794	15	3314.986	196.101	.000
	Within Regions	33690.676	1993	16.905		
	Total	83415.471	2008			
Farm size (ha)	Between Regions	33833.405	15	2255.560	194.100	.000
	Within Regions	23159.922	1993	11.621		
	Total	56993.328	2008			
Population density	Between Regions	71.296	15	4.753	93.098	.000
	Within Regions	101.751	1993	5.105E-02		
	Total	173.047	2008			
% of employed in agriculture	Between Regions	6.051	15	.403	34.912	.000
	Within Regions	23.019	1992	1.156E-02		
	Total	29.070	2007			
% of employed in non market services	Between Regions	12.182	15	.812	30.204	.000
	Within Regions	53.561	1992	2.689E-02		
	Total	65.743	2007			
Natural conditions for agri-production	Between Regions	68139.772	15	4542.651	27.583	.000
	Within Regions	327897.218	1991	164.690		
	Total	396036.991	2006			
Water provision	Between Regions	180343.937	15	12022.929	21.088	.000
	Within Regions	1136252.433	1993	570.122		
	Total	1316596.370	2008			
Index of own commune tax base	Between Regions	2777912.662	15	185194.177	19.088	.000
	Within Regions	19335860.476	1993	9701.887		
	Total	22113773.138	2008			
Companies per 1000 population	Between Regions	85669.703	15	5711.314	17.229	.000
	Within Regions	660673.355	1993	331.497		
	Total	746343.058	2008			
Telephone subscribers	Between Regions	566182.702	15	37745.513	10.195	.000
	Within Regions	7378835.805	1993	3702.376		
	Total	7945018.506	2008			
% of employed in manufacturing	Between Regions	5.412	15	.361	9.125	.000
	Within Regions	78.764	1992	3.954E-02		
	Total	84.176	2007			

Spatial analysis of Polish agriculture and rural development

To examine this proposition, the main dimensions of local variables are reduced by means of factor analysis to a smaller number of underlying dimensions. The initial tests (Table 3.25.) indicate that the data are sufficiently correlated for the factor analysis to be meaningful. Again, to substantiate the factor and cluster analysis, a slightly different combination of variables has been tried, which yields similar results (see Appendix 10).

Table 3.25. KMO and Bartlett's test for variables at NUTS 5 level

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.702
Bartlett's Test of Sphericity	Approx. Chi-Square 3626.671
	df 55
	Sig. .000

A three-factor solution has been identified to underline the major differences behind the measured variables amongst Polish communes (Table 3.26)

Table 3.26. Major factors underlying differences behind Polish ruralities (PCA)

Variables	Factors			Commonality
	1	2	3	
Population density	.813	-4.950E-02	.165	.690
Farm size (ha)	-.775	.235	5.934E-02	.659
Local road density	.701	-5.976E-02	.267	.566
Unemployment rate in district	-.656	.176	.307	.556
% of employed in non market services	5.253E-02	-.710	-.156	.531
Index of own commune tax base	1.824E-02	.706	.278	.577
Companies per 1000 population	.174	.687	-.206	.544
Telephone subscribers	.313	.556	-.198	.446
Index of natural conditions for agricultural production	.201	-7.493E-03	.749	.601
Water provision	.281	.302	-.103	.181
% of employment in market services	.199	.133	-.472	.280
Eigenvalue	2.473	1.985	1.174	
Variance	22.481	18.043	10.669	
Cumulative	22.481	40.524	51.193	

Source: own

The factors are similar to the factors identified at the regional level, but clearer due a larger population size (more communes than regions). Only those factors of eigenvalue above 1 have been chosen here, as is common practice with this analysis. Once again,

however, inclusion of a larger number of factors does not alter the exhibition of these three major factors to any marked extent.

The main factor underlying the variation between Polish rural conditions at the commune level can be termed *settlement and farm pattern* (22% of variance). It consists of population density negatively related to farm size and registered unemployment. The second factor, termed *business development* (18% of variance), consists of business density positively linked with commune own revenue index, and negatively linked with employment in public sector. The third factor is that of *natural conditions for agricultural production* (10% of variance).

Noticeably, the farm and settlement pattern appears as a separate factor to business development, apparently driven by separate set of influences. In addition, infrastructure provision does not appear to be a distinguishing factor. Rather, it mirrors population patterns (for road provision) or business development (for telephone networks). This is in line with the latest research by Piecek (2002), concluding that the levels of rural infrastructure in Poland have been equalizing in recent years, with the traditional territorial inequality slowly disappearing.

Cluster analysis has been performed to classify Polish ruralities. An hierarchical cluster technique has been used to identify the number of clusters to ensure the highest possible internal homogeneity within a group with the highest possible distance between groups. Based on the hierarchical cluster, the K-cluster technique yields the following five clusters (Table 3.27).

Table 3.27. Final cluster centres – typology of Polish ruralities

Cluster – Rurality Type						
		Rurality 1	Rurality 2	Rurality 3	Rurality 4	Rurality 5
REGR factor score	1	1.01773	.92613	-1.27951	-.05086	.31300
		++	++	--	0	+
REGR factor score	2	2.65906	-.81795	.23745	-.36792	.75893
		++	--	+	-	+
REGR factor score	3	-.84375	.64522	.54374	-.86053	.56911
		-	+	+	-	+

Source: own

Spatial analysis of Polish agriculture and rural development

Rurality 1 is best developed, primarily characterized by very high business development, where a large proportion of rural population is employed outside agriculture, especially in market services. This rurality has also the highest provision of telephones, but its conditions for agricultural production (e.g. farm size or natural conditions) are not better than average. Clearly this rurality capitalizes on locational advantages such as the vicinity of big cities, the national Western border, or major tourism attractions – the important spatial capital endowment already identified in Chapter 2.

Rurality 2 is primarily characterized by its high population density and very small farm patterns. This rurality features the lowest levels of business development, and most employment (outside farms) is found in the public sector. Commune own revenues in Rurality 2 are low. Rurality 2 enjoys good natural conditions for agricultural production, but high labour redundancy in agriculture does not allow it to capitalize on natural advantages for agricultural profitability.

The basic characteristics of Rurality 3 are a very low population density associated with relatively large farm size and very high structural unemployment (following the transformation of state farms, which predominate in this rurality). Rurality 3 has slightly higher rates of business development than rurality 2 and average levels of commune own revenues.

Rurality 4 is close to Rurality 2, but differentiated by average settlement and bigger farm size, a low business density associated with low commune revenues, and relatively high employment in the public sector.

Rurality 5 is relatively well developed with good level of business development, high commune revenues, and good provision of infrastructure. A large share of employment in rurality 5 is in industry.

Detailed characteristics of five major types of Polish ruralities are given in ANOVA tables (3.28.) below and in Appendix 7.

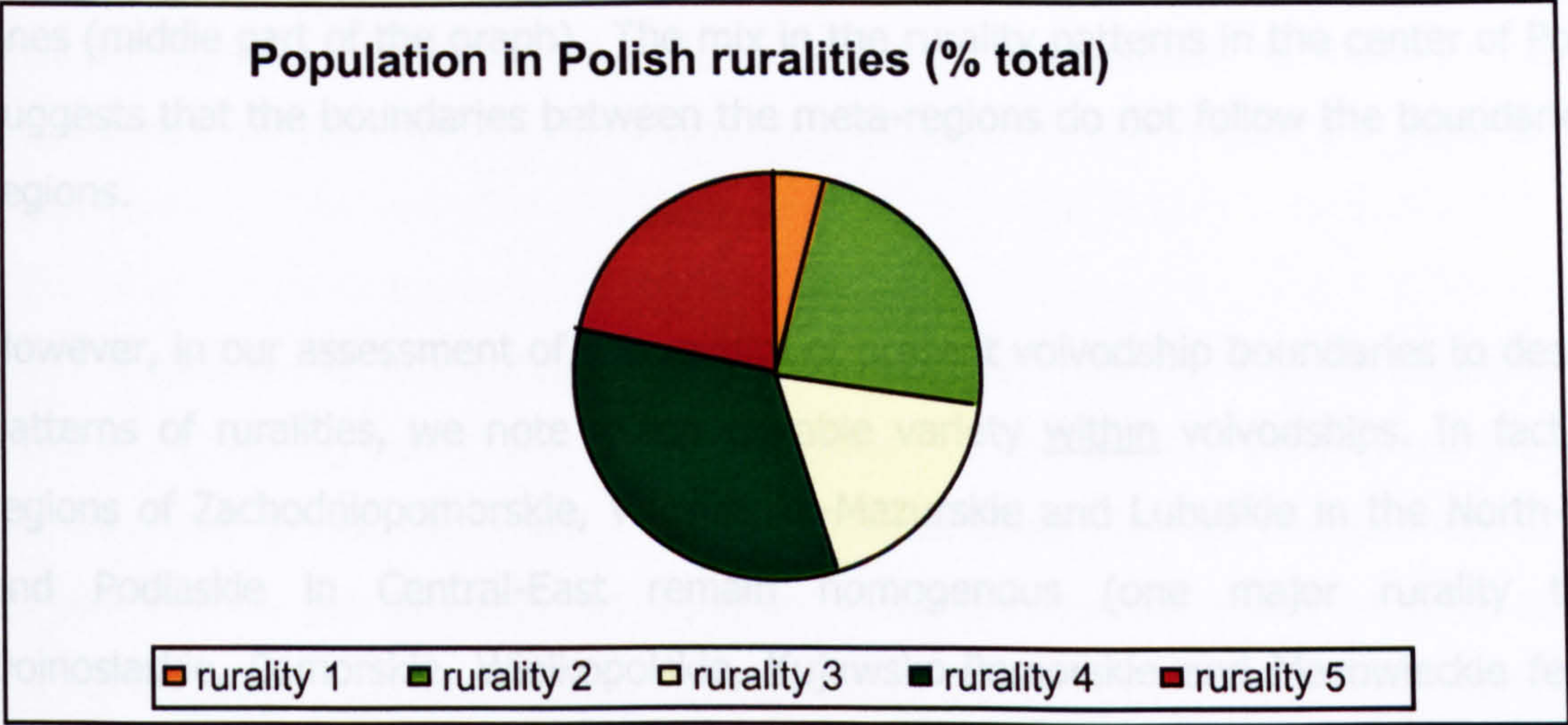
Table 3.28. Characteristics of five major types of ruralities in Poland

		Population Density (person/sq km)	Registered Companies (per 1000)	Registered Unempl. (district)	Commune own revenue (G index)	Telephone subscribers (per 1000 population)	Water provision to rural households	Index of natural conditions for agriculture	Farm Size (ha)	% employment in manufactu	% employm in non- market services	% employe in market services
Rurality 1	Mean	70	96	15	396	251	75	61	9	.46	.17	.30
	Std.	34	40	5	292	98	33	11	4	.19	.10	.15
	Dev											
Rurality 2	Mean	81	38	15	144	113	51	76	6	.25	.50	.17
	Std.	33	10	4	38	57	29	14	2	.17	.15	.09
	Dev											
Rurality 3	Mean	30	43	27	196	110	46	66	16	.33	.32	.14
	Std.	12	12	5	42	44	17	11	6	.20	.14	.08
	Dev											
Rurality 4	Mean	47	43	16	144	130	57	56	9	.23	.47	.21
	Std.	19	13	4	42	56	25	8	3	.16	.15	.11
	Dev											
Rurality 5	Mean	62	54	19	243	163	64	72	9	.46	.25	.15
	Std.	23	17	5	124	48	21	13	3	.20	.11	.009
	Dev											
Total population	Mean	54	46	19	183	133	56	65	10	.30	.39	.18
	Std.	29	19	6	105	62	25	14	5	.20	.18	.10
	Dev											

All data at the commune level. Total population aggregated at commune level.

Figure 3.9. shows the share of rural population living in each type of rurality in Poland. Only 25% of the total rural population lives in the relatively well-developed ruralities 1 and 5.

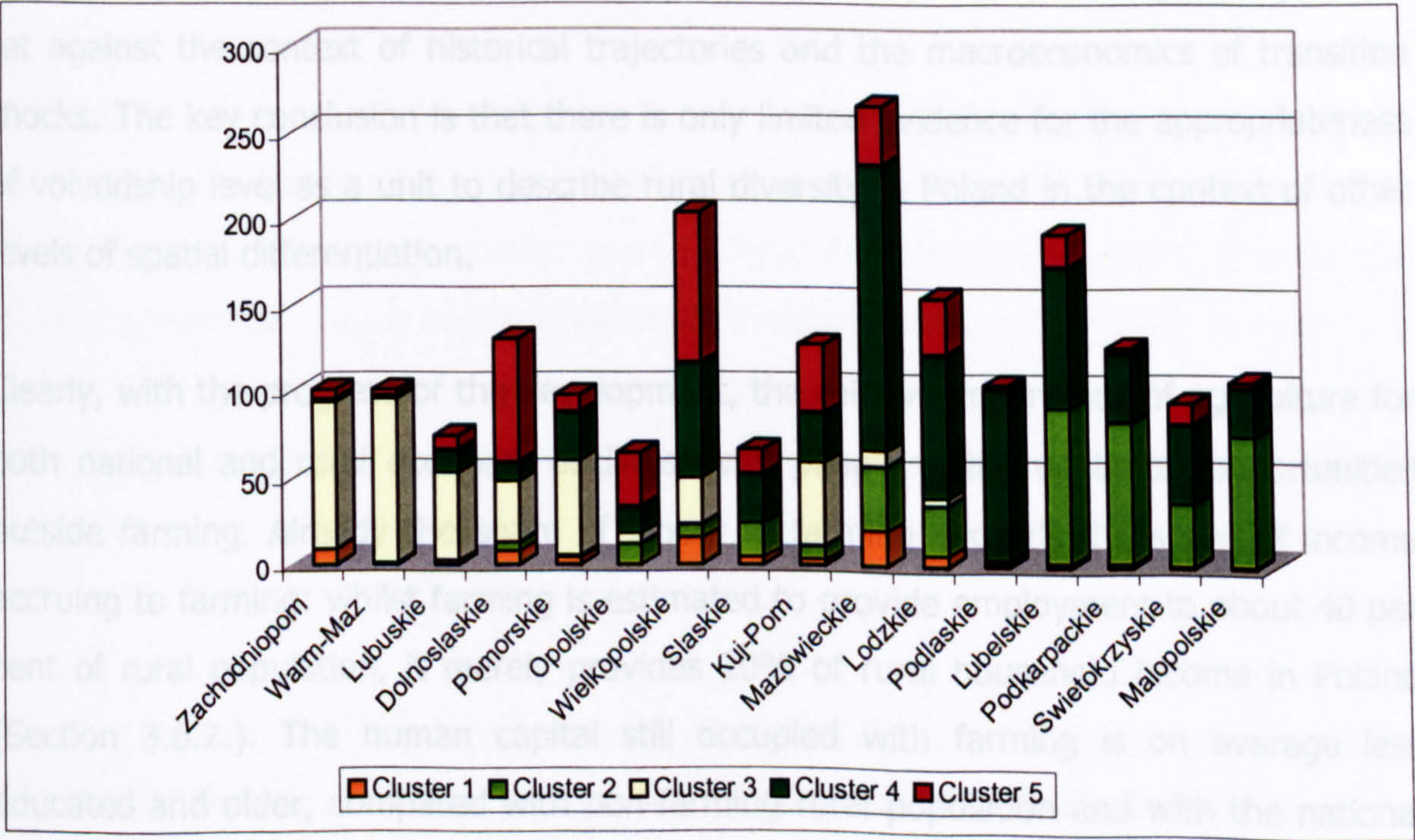
Figure 3.9. Population in five types of Polish ruralities.



Source: own

Figure 3.10. shows the location of ruralities in the Polish voivodships, indicating the number of ruralities of a given type in each region. Note that in Figure 3.10. the regions are ordered in accordance with their rural index (cf. Table 3.21.).

Figure 3.10. Rural regional profiles:
Five types of ruralities in Polish regions (number of ruralities)



Source: own calculation

In principle, the patterns amongst ruralities substantiate the meta-regions identified by means of rural index, with more homogenous rurality patterns in meta-regions of North-West (left side of the graph) and South-East (right side of the graph) than the central ones (middle part of the graph). The mix in the rurality patterns in the center of Poland suggests that the boundaries between the meta-regions do not follow the boundaries of regions.

However, in our assessment of the validity of present voivodship boundaries to describe patterns of ruralities, we note a considerable variety within voivodships. In fact, the regions of Zachodniopomorskie, Warminsko-Mazurskie and Lubuskie in the North-West and Podlaskie in Central-East remain homogenous (one major rurality type). Dolnoslaskie, Pomorskie, Wielkopolskie, Kujawsko-Pomorskie and Mazowieckie feature all five types of ruralities in their profile. The South-East meta region (Malopolskie, Swietokrzyskie, Podkarpackie, Lubelskie and Swietokrzyskie) appear bi-modal. Opolskie and Slaskie contain four types of ruralities.

3.9. Conclusions from Chapter 3

This Chapter has examined the spatial dimension of Polish rural development patterns set against the context of historical trajectories and the macroeconomics of transition shocks. The key conclusion is that there is only limited evidence for the appropriateness of voivodship level as a unit to describe rural diversity in Poland in the context of other levels of spatial differentiation.

Clearly, with the progress of the development, the relative importance of agriculture for both national and rural economy declines, with people taking up better opportunities outside farming. Already the share of labour in farming exceeds the share of income accruing to farming: whilst farming is estimated to provide employment to about 40 per cent of rural population, it merely provides 20% of rural household income in Poland (Section 3.6.2.). The human capital still occupied with farming is on average less educated and older, compared with non-farming rural population and with the national

average. The relative decline of agriculture results from the growth in non-agricultural rural businesses; however, as yet only limited economic data on non-farming business development in rural areas is available in Poland. Nevertheless, assuming that half of rural population employed outside farming commutes to neighbouring urban locations, rural non agricultural businesses in Poland already now generate as much income and employment as the agricultural sector, notwithstanding the significant gaps in rural statistics.

There is evidence to suggest that the levels of physical, human and social capital in rural areas in Poland lag behind the urban standards (Section 3.6.1.). Indeed, the growth in the transition period has mostly concentrated in urban (if not mainly metropolitan) centers, but the gap between the urban and rural development levels has been historic. Rural areas have absorbed most of the redundant labour laid off during the restructuring of industrial sectors (contributing mostly to "hidden" agricultural unemployment or, at least, under-employment), as well as from the former state farms (constituting registered unemployment and areas of social exclusion). Non-agricultural business development is mainly driven by spatial capital, including, especially, location near the metropolitan areas or the Western borders. Location might become more especially important in the transition economies as a genuine market emerges for land.

In the last decade the Polish economy has experienced a substantial, albeit regionally unequal growth (Section 3.5.). The growth has been highly dynamic and concentrated in the metropolitan areas, in particular Warsaw: only the Mazowieckie region boasted the rates of growth continually higher than the national average in 1995-1999. Regions with highest GDP levels tended to grow quicker relative to lagging regions. However, the poorest regions exhibited higher levels of growth compared to the mid-regions. Yet, on the whole, the regional divergence in Poland, measured by the σ -coefficient, is comparable to those shown in Spain and the UK.

A rural resource and structure index (cf. Section 3.7, Table 3.21.) calculated with a multivariate technique of the principal component analysis, indicates that there are

differences in the rural resource and structures between Polish regions. However, the pattern of difference, underlined primarily by the settlement and farm structure, appears more at the meta-regional level rather than at the voivodship level. Four major meta-regions can be differentiated with respect to rural resources based on the North-West versus South-East axis: North-Western region (Zachodniopomorskie, Warmińsko-Mazurskie, Lubuskie, Dolnośląskie and Pomorskie); Central-Western region (Opolskie, Wielkopolskie, Kujawsko-Pomorskie and Śląskie), Central-Eastern region (Mazowieckie, Łódzkie, Podlaskie) and South-Eastern region (Lubelskie, Podkarpackie, Świętokrzyskie and Małopolskie).

These meta-regions reflect historic divisions between Russian, Prussian and Austrian empires in the 19th century and the territorial shifts after the World War 2. However, the availability of statistics (and thus, the choice of indicators) for the analysis has been implicitly biased towards agricultural structures and reflects an economy primarily driven by land capital. A complementary classification based on scarce data on non-agricultural development reveals a new spatial rural dynamic on the West-East axis, driven by the endowment of spatial capital, in particular the proximity of the Western border and metropolitan areas. The classification in terms of rural business potential does not seem to closely substantiate the homogeneity of the previous meta-regions. In each agriculturally defined meta-region there are voivodships with a varied level of non agricultural rural business development. On one end of the spectrum Zachodniopomorskie enjoys both the highest relative agricultural rural resource endowment and business development, on the other end the regions of Lubelskie, Podkarpackie and Świętokrzyskie appear to be lagging behind in both respects. That the factors driving agricultural development and business development are not the same is exemplified by the Warmińsko-Mazurskie region, with a very high resource standing but a very low rural business development.

The broad pattern of regional rural resource differences is confirmed on the level of ruralities in Poland, yet with a considerable internal variation. The cluster analysis of Polish ruralities has resulted in the typology of five major ruralities underpinned by three

major factors: population and farm patterns; business development; conditions for agricultural production (Table 3.28.). The rural profiles of regions indicate that Polish voivodships tend to be differentiated in terms of their rurality structure. However, most regions have as many as all the five types of ruralities represented in their structure, thus making the relevance of voivodships for rural policy design questionable.

This analysis appears consistent with the major thrust of development theories (Chapter 2). The standard theories of relative rural disadvantage from lack of agglomeration economies appear to be evidenced in the Polish case of transition, where scarce capital tends to favour economies of scale and scope associated with urban areas (or with the resources of spatial capital). Those left behind in primarily agrarian communities have less endowment in human, and physical capital, exhibiting clear cumulative causation patterns. On the other hand, in absolute terms, the rural economies are also growing as evidenced from the business development. The established categories of ruralities underpinned by agrarian economies are slowly losing their meaning, leading to rural businesses outside agriculture. Rural business development appears to be driven by partially exogenous factors (such as the dynamic of regional economies) as well as (and reflected by) the spatial capital endowment. With the clear linkages between rural and urban economies, a discreet division between the two appears contestable, albeit still more relevant than in Western Europe where the rural disadvantage has been outweighed by the diseconomies of congestion in urban areas. Unlike in Western Europe, the relevance of cultural capital and natural amenities appears hard to discern in the analysis, partly for lack of data, partly because presently low consumers' incomes do not support the development and exploitation of these potential advantages.

3.9.1. Implications of spatial analysis for rural policy design in Poland

A number of policy implications can be drawn from this spatial analysis in simple economic terms.

Firstly, the analysis has confirmed the growing importance of the non-agricultural sector for Polish rural areas, albeit compromised by the availability of statistics. The historic

agricultural emphasis in policy is clearly reflected in lack of rural statistics, specifically on non-agricultural employment and activities of rural population.

Secondly, the rural-urban divide in Poland appears stronger than intra-regional rural variation. With evidence of rural spatial disadvantage in attracting scarce capital in the transition period in Poland, the rural-urban divide remains a useful policy focus, unlike in the EU where diseconomies of scale have reversed the traditional rural spatial disadvantage (Terluin, Post, 2001; Saraceno, 2002), with the concept of a local economy substituting for the rural focus.

Thirdly, there is evidence of spatial variation in the resources and structures across Poland. The regions cluster into meta-regions (dating back to historical settlement patterns). The new geography of rural development (outside agriculture) does not neatly fit the meta-regions logic, but rather appears to reflect the access to benefits of trade. There is little correlation (0.2) between the regional GDP per capita and the rural resource index. In addition, most regions seem to feature a variety of ruralities, far more reasonable candidates for researching rural cohesion, at least to function as benchmarks for evaluation. On the other hand, there are clear dependencies between urban and rural economies, calling for a rural dimension in regional policies, especially focused on small towns.

Fourthly, FEOGA structural policies are likely to have different absorption patterns depending on rurality type. Rurality 1, well connected with urban centers, has a natural advantage for non-agricultural business and is thus most likely to attract funding from rural diversification schemes. In addition, communes in rurality 1 have a relatively high investment potential, likely giving them an advantage in co-funding of infrastructure projects.

Rurality 3 features a high share of landless population, often unemployed. Since FEOGA-Guidance is targeted at farmers it can have a bias against rural dwellers without farms in rurality 3. However, rurality 3, especially in the Western Poland, has a relatively good

rural business potential, which might need support in training measures. In addition, the rural unemployed, mostly landless persons in rurality 3 are not likely to be eligible for support under FEOGA. Yet, rurality 3 has a reasonably strong commune own revenue for co-funding of infrastructure and potential village renewal projects. Rurality 2 might have problems with uptake of rural development funding such as on-farm investment (due to very fragmented farms), rural business development (due to a structurally low level already) or even of infrastructure projects due to relatively weak own commune tax base. Most unemployment in rurality 2 is “hidden” in agriculture: as such redundant farm labour will be eligible for FEOGA support, albeit might have problems with market linkages due to relatively poor regional economic structures and peripheral location, especially farms in the Eastern Poland. Rurality 2 has not only the smallest farm pattern, but also the lowest level of rural business development. Thus, rurality 2 will have difficulties in accessing FEOGA investment funding. Some of this negative effect is likely to be balanced by potential LFA payments, early retirement schemes or environmental payments. With jobs created more easily in towns, rurality 2 could benefit from specifically targeted regional policies and facilitate commuting, provided complementary training measures are in place.

Rurality 4 is likely to have similar problems to rurality 2, yet less acute. With slightly bigger farms and more businesses, some investments are likely to progress. Nonetheless, ruralities 4 in peripheral areas in the East of Poland are still going to face difficulties. Some funding from a special measure for semi-market oriented farms are likely to be absorbed in rurality 4, yet if it was to be ensured that FEOGA funding is to bring equitable effects for Polish ruralities, rurality 4 is most likely to absorb non-investment funds such as agri-environmental schemes. Small farming structures in rurality 4, albeit not as fragmented as in rurality 2 could benefit from land consolidation measures.

Finally, rurality 5 appears well developed, both in terms of agricultural structures and non-agricultural rural businesses, likely able to undertake investments. The spatially differentiated resource structures in ruralities and regions are likely to limit a potential

for absorbing FEOGA policies. (Chapter 4 addresses the issue of territorially “fair” financial allocations).

In a nutshell, although there is a spatial differentiation of rural resources and structures in Poland, voivodships do not seem an appropriate unit to capture the most important dimensions of this variation⁵⁴. Individual programmes designed for regions are likely to miss economies of scale as major rural characteristics are shared by meta-regions. On the other hand, most regions feature considerable internal variety on the commune level: a truly spatially sensitive regional programme would need to be internally (within region) differentiated, for example by rurality class, as outlined above. Given the predominant visible horizontal urban-rural divide, the preparation of individual rural policies at voivodship’ level appears to bring little added value. However, close linkages between rural and regional policies and economies seem to make it a complementary task for regions to design and implement rural-friendly regional policies, especially focused on small towns.

⁵⁴ Similarly, the Integrated Regional Development Plan (ME: 2003) makes a point that the key problem of Poland is a low level of economic development, rather than interregional differentiation.

Chapter 4

Regionally formed preferences for structural and rural development policies in Poland

4.1. Objectives and outline of Chapter 4

This Chapter examines the proposition that spatially heterogeneous policy preferences (Oates, 1972) underpin rural policy regionalisation in Poland. The analysis employs data triangulation (Denzin 1970; Burgess, 1982), based initially on a grounded approach (Glaser and Strauss, 1967) and participant observation experience in designing and conducting regional consultation exercise in 1999, and drawing upon regional development strategies prepared by the regional authorities. The process of preference formation is explored on the basis of inductively determined categories (Lee: 2002). Discourse analysis is employed to examine the formal regional development strategies. Data analysis based on an emerging theoretical framework leads to conclusions on preference heterogeneity, consistency and legitimacy in a broader context of “communicative governance” (Healey et al, 1993).

The Chapter is organized as follows. Section 4.2 briefly presents the participant observation experience in the regional consultation process and outlines some key questions to be validated through examination of documentary evidence. Section 4.3 discusses the main theoretical categories employed in the analysis. Section 4.4 deals with methodology, in particular the use of discourse analysis in policy and planning. Section 4.5 examines discursive legitimising strategies employed in regional development, focusing in particular on narratives of regional identity and participation in policy formulation. Section 4.6 draws these threads together for the regional preferences for rural development policy in Poland, examining in particular their internal coherence and intra-regional spatial sensitivity. In conclusion (Section 4.7), regional preferences for rural policies are presented in a broader context of emerging communicative governance in Polish regions.

4.2. A regional consultation exercise: grounded in experience

The question of *what people really want*, nourished by the EU partnership principle (Christidis, 1998; CEC, 1993) and facilitated by value-laden regionalisation reform in Poland in 1999 (cf. Section 1.7), encouraged the Ministry of Agriculture and Rural Development in Warsaw to undertake an extensive regional consultation process for formulating the EU-driven SAPARD programme. The author co-designed the exercise and managed the process⁵⁵ in spring 1999 and co-chaired 5 (of the 16) regional seminars⁵⁶. The seminars were followed up by regional consultation questionnaire⁵⁷. The results of the questionnaires were analysed (Andrychowicz, 1999) and fed back to regions in early summer 1999.

The process, conceived in the excitement of early regionalisation reform and beliefs in more democratic and more efficient decentralized governance, were seen by some as a risk. It was in distinct contrast to the traditional cognitive hegemony of the central bureaucracy. If the Ministry is supposed to be professional enough to provide solutions, why should it ask opinions? What if a multitude of dissimilar preferences were revealed? Surprisingly enough, however, to the relief of the organisers, the regions made strikingly similar choices.

A search for pertinent theoretical categories and the availability of additional data (notably regional development strategies) have prompted the re-definition of the original

⁵⁵ The seminars took place in all regions (Marshall offices). The Ministry recommended a broad representation of participants (a total of approximately 100 in each region) as well as background and agenda setting. Technical support was provided by the regional authorities. Each seminar consisted of two parts: information on the SAPARD programme and the potential choices followed by subsequent group work. The groups, of approximately 25 people each, chaired by a regional facilitator (total about 60 working groups), were asked to produce a brief SWOT analysis for their regional agriculture and rural areas; with implied selection of SAPARD measures and an indicative budget breakdown. The seminars followed a standard format designed by myself in conjunction with the Department of Pre-Accession Assistance and Structural Funds, MARD, Warsaw. Each conference was chaired by a senior regional politician, whilst the Ministry was represented at the technical level.

⁵⁶ Notably in: Malopolskie, Opolskie, Slaskie, Zachodniopomorskie and Mazowieckie regions.

⁵⁷ The questionnaire encompassed: SWOT analysis, a selection of short- and medium-term measures, indicative breakdown of funding between measures, as well as issues of co-financing, regional partnership networks, advancement of strategy development and elaboration of measures.

questions. The concept of “regional preference formation” raises further questions. What legitimizes territorial preference formation logics relative to the central systems? How are preferences formed and defined? To answer these questions, it is necessary to clarify the concepts involved.

4.3. Theoretical categories and issues

4.3.1. Preferences, preference ordering and transitivity

The concept of preference, central to economics and political economics, is probably as simple in theory as it is difficult in practice. It is strictly linked to the core assumption of the rational paradigm, namely that of utility optimisation (or, in other words, welfare maximisation: Doel, Velthoven, 1993). The concept only acquires its proper meaning under resource constraints – how do you choose between alternatives, rather than simply what do you want? Doel and Velthoven (1993:4) observe the obvious, yet often overlooked fact: “every choice demands sacrifices consisting of the foregone goods and services: you cannot have your cake and eat it, too”. If the objective of the state policy is welfare optimisation relative to budget and socio-technical constraints and possibilities, mere knowledge of preferences may be valuable in itself. However, preference ordering, be it ordinal or cardinal, requires an individual to be able to attribute a utility rank to each preference. The (present and/or future) utility however, needs to reflect opportunities foregone. Clearly, such estimates, particularly when applied to dissimilar entities, pose difficulties for consistency and comparability. For example the (present and future) utilities derived from “having a glass of wine” might be hardly comparable with those associated with “belonging to NATO” (Doel, Velthoven, 1993:18). An individual might well find it difficult to choose between the provision of public goods and potential private goods, such as for example the utility coming from the provision of road, versus the telephone connection, let alone comparing access to training or farm improvement grants, when there are only sufficient resources for one or the other. Though it is difficult to conceive of the practical circumstance that would make these two events necessary competitors for an individual’s scarce resources, those choices are not rare in collective domain (Minogue, 1986).

Another practical problem with preferences is their dynamic nature. As demonstrated by

welfare economists (e.g. May, 1954) even individual preferences are likely to change with context and circumstance, and thus, at the very least, exhibit intransitivity and inconsistency over time. The problems of collective preferences are even more manifest as different rules of the game can bring different collective outcomes (see, e.g. McLean. 1987; Gerber, Jackson, 1993). As resources are finite, one person's preferences can be met only at the expense of others, so any order of collective preferences tends to be subject to debate, meaning that any given collective choice are likely to be intransitive. Indeed, according to Arrow's impossibility theorem (see, e.g. McLean. 1987) there is no majority-voting procedure that can be relied upon to produce a well-behaved collective choice. Gerber, Jackson (1993: 654) note that the rationality of preferences depends on the substance (and related information costs): choices amongst alternatives with very uncertain outcomes may imply irrationality or very plastic preferences underlying those decisions. They conclude that (p. 654):

"in these very important cases the process of discussion and preference formation must precede preference revelation and aggregation. The role of institutions in preferences development may be more important than their role as aggregator of those preferences"

Even if we preserve the fiction that individual preferences are consistent, transitive and well behaved, the collective outcome will clearly depend on the political system used to aggregate and balance individual preferences. Not only are the outcomes prone to being intransitive and inconsistent, they will vary according to the methods use to generate the political preference. Indeed, it can be argued that this observation is nothing more than a characterization of the very essence of political debate, continually seeking compromise through agenda-setting, platform and coalition building and so forth (e.g. Heap *et al.* 1992, McLean, 1987). In other words, Arrow's impossibility theorem is the very reason why human communities find politics necessary, if inconvenient and hardly sufficient to resolve the inherent difficulties of reaching rational collective decisions.

However, whilst reservations as to the validity of the term "*preference*" or even more so, "*collective preference*" are fully justified, their denial is not. A large body of development

literature (for example: Chambers, 1996; Lewis, 1955) suggests that, to succeed, development policies need to be in line with peoples' motivations, perceptions and preferences. The literature agrees univocally that it is important to know what people want and to create policies accordingly.

All these issues are pertinent to regional preference formation process in Poland. For our further analysis we need to keep in mind that valid preferences require the comparison between alternatives (preferences are necessarily relative and not absolute) and that the mode of collective aggregation matters. For this reason, we now move to the issues of the legitimacy of regional preference formation (which, in practice, competes with the alternative legitimacy of central authority, frequently based on notions of the logic and reason of social mechanisms, especially economics).

4.3.2. Legitimacy of regional preference formation

The question of legitimacy lies at the heart of regionalisation debate. As argued by Donahue (1997, quoted in Rodriguez-Pose, Gill, 2002), ultimately the most important asset that government can command is not legal authority, or fiscal resources, or even talented personnel, but legitimacy. However, the actual meaning of legitimacy is essentially contested both in its theoretical and practical dimensions. Bentham (1993) conceives legitimacy as a mixture of power, rules and consent, yet fails to offer a means of defining or reaching a balance between them. A definition by Donahue (1997) extends to encompass popular support and citizen cooperation (as an expansion of the notion of consent and the relations with power) but, again, offers little indication how these qualities are to be achieved.

A more elaborate discussion of legitimacy is found in Dryzek (2001). He questions the feasibility of direct legitimacy constructed as "reflective assent through participation in authentic deliberation by those subject to decision in question", arguing that "reflective participation" is simply incongruent with the practicalities of big groups. Instead, he developed a concept of "discursive legitimacy" achieved when a collective decision is coherent with the constellation of predominant discourses (rather than with participation).

A final kind of research agenda on legitimacy, mostly represented in American political science, relates to its practical assessment and measurability (e.g. Weatherford, 1992). These approaches, usually based on empirical quantitative data, relate policy satisfaction to the characteristics of political systems and also to the personal traits of individuals, revealed through questions about their attitudes to authorities.

So how can regional governance obtain its legitimacy? In some views legitimacy is tautological in democratic systems. Weber (1993) for example, argues that legitimacy is implicit: rules commonly created are commonly accepted. Legitimacy is, thus, simply embodied in legal and political systems. A similar tautological position, though for different reasons, is advanced by regulation theorists (cf. Section 1.5.3.). In their view, regional governance simply emerges as a result of natural evolution in regulation regimes, making the attainment of legitimacy automatic – a necessary condition for the survival and continuation (replication) of the governance structures. In this sense, the evolutionary approach answers the obvious question raised by the Weberian view – what happens when existing institutions (rules, laws and conventions) do not embody (sufficient) legitimacy? The answer is that institutions are changed and adapted to improve legitimacy. A third view of implicit legitimacy depends on “negative” legitimacy. Regional governance simply receives a credit of support in the absence or decline of the central legitimacy and efficiency⁵⁸. Where the central government has proven disappointing, trust (with yet little proof for actual improvement) becomes credited to the regional tier. Hence, preferences for regional government may emerge as and when central government is found disappointing (or barely legitimate).

4.3.3. Territorial identity and legitimacy

Some researchers seek to establish a positive ground for regional legitimacy, especially *relative to* the central processes (Rodriguez-Pose, Gill, 2002; Donahue, 1993; Dardanelli, 1998). For Rodriguez-Pose, Gill (2002: 7) “regional legitimacy is determined for the most part by processes of history. Of the former, culture, language and religion have traditionally been the factors behind a strong regional identity”. Indeed a view that there

⁵⁸ Pointed to me by Prof. John Tomaney of CURDS, University of Newcastle-upon-Tyne.

is a link between regional identity and regional legitimacy has acquired a particular salience (Dardanelli, 1998; Keating, 1998; Rodriguez-Pose, Gill, 2002; Les Galle, 1998; Paasi, 2002; Teune, 1992; Raagma, 2002). In this trend, a region is seen not merely as either a figment of imagination or as an objective economic entity, but as a socio-institutional reality (Les Galle, 1998), as a socio-economic phenomenon (Paasi, 2002), as a container for collective actions (Raagmaa, 2002), legitimized by people's affiliation to place (Teune, 1992). Thus, subjective motivation to participate or support regional groupings (relative to central state logic) can be attributed to regional identity.

Participation in activities of groups with strong loyalty bonds provides vicarious satisfactions through collective achievements and assures security from threats by others as well as punishments for disloyalty (Teune, 1992). With no territorial identity, regional groupings are claimed to be empty, as Teune (1992:105) emphasizes: "individual attachment is assumed to be a necessary condition for the legitimacy and the viability of any political system". Indeed, more universally, a group's success is heavily influenced by the loyalty of its members. For example Zdaniuk, Levine (2001) in their psychological research show that participants with high group identity would exhibit more loyalty⁵⁹ than those in the low group identity condition.

Moreover, the legitimisation of regions by identity is also recognized in the EU level legal practice. Article 1.1. of the Act on the Creation of Committee of Regions (1994) states that:

"the word region shall be taken to mean a territory which constitutes, from a geographical point of view, a clear-cut entity or a similar grouping of territories where there is continuity and whose population possesses certain shared features and wishes to safeguard the resulting specific **identity** and to develop it with the object of stimulating cultural, social and economic progress"
(emphasis added)

However, the concept of regional identity is highly complex and contestable for both its multiple meanings and manifestations.

⁵⁹Zdaniuk, Levin (2001) defined loyalty as adherence to a social unit to which one belongs as well as to its goals, symbols, and beliefs.

The first fact regarding identity is its multiplicity. We can describe ourselves by affinities to our family, social class, profession, or territory. This has led Smith (1991) to develop a theory of concentric circles explaining the coexistence of outer, lighter identities with inner, deeper ones. Indeed, Franck (1996) observed that modernity gives individuals more freedom in (multiple) identity selection, which, as Franck argued, diffuses loyalties to any specific grouping. Loyalties, once focused on the state, may now be distributed among various referents, from the institutions of civil society to religions and affinity groups. Thus, in Franck's view, a major life-task of the modern person is to achieve deliberate self-definition to the extent permitted by law. Castells (1997) holds an opposite view. In his writings territorial identities are depicted as essentially defensive in the global world (echoing the notion of regional legitimacy as a negative response to failing legitimacy at the national or state level (noted above, section 4.3.2):

"... an identity of retrenchment of the known against the unpredictability of the unknown and uncontrollable (...) Thus, local communities, constructed through collective action and preserved through collective memory, are specific sources of identities. But these identities, in most cases, are defensive reactions against the impositions of global disorder and uncontrollable fast paced change. They do build havens, but not heavens."

Castells 1997:64

In the writing of institutionalists (Amin, 1999; Keating, 1998) identity is depicted in a positive light: as the satisfaction of needs for belonging, common stories, frames of reference and mobilisation. Keating (1998:86) places regional identity in both the cognitive and affective domains. People must know where a region is, and also feel positively about it, possibly in competition to other sets of identities (such as class or nation). As such, when institutionalised, regional identity can play an instrumental role as the basis for mobilization of effort and resources.

An operational analysis of territorial identity has been done by Roca (2000), who seeks to disaggregate the notion into socio-cultural and socio-economic dimensions, pointing out that the economic change undermines the identity and image of places, which dichotomises the traditional and modern, positive and negative, exogenous and exogenous forces of progress *versus* identity.

Although there is no agreement about the basis of legitimacy of regional governance,

nor indeed, if it is tautologically necessary in the legal constitutions of modern states, strong linkages between legitimacy and territorial identities discussed literature have their merits. Firstly, Rodriguez-Pose and Gill (2002) note a strong link between legitimacy of regional governance and its real room for political manoeuvre. Indeed, what is termed as a “bottom-up” demand for regionalisation (Keating, 1998) links to political support, translating to political support for further decentralization. Secondly, affinities to place are conceptualized as playing a vital role in conflict regulation (Les Gales, 1998). Similarly, Paasi (2002) claims that a region and regional identity are social facts that can generate actions if people believe in them. He sees the positive impact of a regional identity that joins people together, provides people with regional values and self-confidence, and ultimately makes a region a cultural-economic medium in the struggle over resources and power in the broader socio-spatial context. The view that the power of regionalism lies in its ability to mobilize people on the basis of their historical occupation of a shared environment is supported by numerous researchers (Keating, 1998; Raagmaa, 2002; McLeod, 1998). However, numerous attempts to evidence an empirical link between territorial identity and economic mobilization (for example, Raagmaa (2002) in Estonia; McLeod (1998) in Scotland; Manu (2002) in selected regions in Europe) still appear incomplete. Even less research effort has so far been directed to examine a link between identity and the quality of regional public administration or levels of participation in regional elections.

The implications of this review for our considerations are not straightforward. On one hand, the regional legitimacy is almost univocally seen as linked to regional identity. However, if legitimacy is the key resource the regional government commands, it is by no means the only one. Thus, the regional identity contributes to the potential efficiency of regional governance, but need not guarantee it. Regional governance can fail on other grounds (for example being captivated by narrow elites, corruption, public management failures, etc.), so the linkages between the regional legitimacy and institutional capacities need not be direct. Does the absence of territorial identity necessarily discredit legitimacy? Not always. Is regional governance bred by dissatisfaction with the central rule illegitimate? Again, not necessarily: in regions where

the discontinuities of history and displacement undermined or virtually destroyed territorial identities, the establishment of regional governance might contribute to the production of affinities to space and collective bonds. This brings us to the point that, in the longer term, regional legitimacy is highly dynamic, just like the processes of identity, or more broadly of socio-economic regions themselves. For the sake of the analysis in this chapter, however, we accept a weak version of identity-legitimacy relationship, treating regional identity as a legitimising factor rather than as a condition. We argue that regional preferences supported by loyalties coming from spatial affinities acquire additional strength, demonstrated, for example, when competing with the central logic or backing up regional politics in the national arena. Other legitimizing strategies, such as discourse and participation are discussed below. This research is confined to indicative discourse analysis, other issues of identity fall beyond its scope.

The main source of data to analyse those phenomena comes from documentary sources, notably the formal regional development strategies. At the very basic level the documents are a piece of language. What role does language play in policy making? What conclusions can we draw from linguistic analysis in policy context? Section 4.3.4 seeks to address these questions.

4.3.4. Language, politics and communicative governance

Bonds between politics, planning and language have been explored by political and social scientists and linguists alike. Social scientists have developed a concept of “deliberative democracy” and “communicative governance” (Healey, 1993) primarily drawing upon speech-act theory (Austin, 1962; Searle, 1969) paraphrased into “communicative action” (Habermas, 1984).

The speech-act theory views language not merely as affirming truth but “doing things” such as manipulating, guiding, counseling, exerting pressure, suggesting, extorting, blackmail, coercion, advising, instructing, commanding, demanding, promising, helping, or reassuring, to name but a few. A fundamental distinction between constatives and performatives introduced by Austin (1962), and later elaborated in Searle’s (1969)

concepts of illocutionary and perlocutionary acts, has encouraged linguists to analyse utterances for their success in fulfilling their objective ("felicity conditions") rather than merely for their truth value.⁶⁰ To that Gazdar (1981) added an obvious, yet useful distinction between explicit and implicit speech acts. Van Dijk (1977) proposed a concept of macro speech acts, chains of utterances intended for one aim, communicative interaction examined for its aim, execution strategy, constitutive actions and global effects. Those linguistic developments formed the basis for Habermas's theory of communicative action (Habermas, 1984) applied in the context of policy.

Underlying the emergence of speech-act theory were the debates on meaning, especially Wittgenstein's revolutionary assertions (cf. Wittgenstein in Pearce, 1970) that language is context specific, and does not necessarily relate to intrinsic meanings. The socially constructed nature of language, where meanings are not inherent but essentially contested (Gallie, 1968), contextual (Wittgenstein) or even solely subject to power exercise (Foucault, 1984) have encouraged linguists (e.g. Bennett, 1980; Bell, 1975; Huckfeldt et al, 1998; Edelman, 1977; Wilson, 1990) to analyse the discourse of politics largely as a macro speech-act with specific properties and felicity conditions. Bennett (1980) notes that vagueness and ambiguity is deliberately employed in political accounts to deal with potential opponents. Avoidance of testable propositions is an important feature of highly fragmented or conflicting environments. Bell (1975) observes that no matter how desirable clarity might be, politics is a process of conducting social communication and transactions, with associated "*communication costs*" (equivalent to transaction costs in economics) (p. 31). Huckfeldt (1998) adds that political communication is likely to be embedded in ambiguity and uncertainty, with a recognition that "the costs of social communication sometimes increase when disagreement is present in a relationship" (p. 999). The Foucauldian idea of power through language is supported by Edelman (1977: 25), who writes:

⁶⁰ Please note that this distinction echoes the philosophical debates on the nature of truth. Three competing views hold that the truth is merely a judgement established in reference to other statements (coherence theory); in contrast to correspondence theory of truth underlined by a parallel between the statement and the facts and, finally, to the performative theory viewing truth as a collective action of acceptance of particular ideas and concepts. (for more see: e.g. <http://www.staff.ncl.ac.uk/david.harvey/AEF801/Why/Why.html>)

"Language is more than a tool for manipulating others. In ways often undetected, it structures our ideas about those with whom we interact."

Where both the encoder and decoder are faced with complex realities, with much disturbance in the communication channel, language tends to be banal and highly redundant (Edelman, 1977). Moreover, following Levi Strauss' ethnographic observation, contradictory beliefs are a common social phenomenon (echoing both Arrow's impossibility and psychologists' concepts of cognitive dissonance):

"In every culture people learn to explain chronic problems through alternative sets of assumptions that are inconsistent with one another; yet the contradictory formulas persist, rationalizing inconsistent public policies and inconsistent individual beliefs about the threats that are widely feared in everyday life"

Edelman 1977:5

Frequently language manipulates through its implicit assumptions. As noted by Edelman (p.16), even a seemingly objective phrase common in governmental programmes, such as the training programmes for the unemployed, makes such assumptions. The phrase seeks to suggest that unemployment merely springs from ill training or mismatch of qualifications with market demands, rather than as a major outcome of macroeconomic policies. It is through use of grammatical structures, as noted by Wilson (1990), that politicians might choose to distance themselves from assertions they make.

These linguistic developments have led to a communicative strand in policy analysis (e.g. Healey, 1993; Schedler, Folke, 2001), often labeled deliberative democracy. Healey (1993) observes that, in the policy process, communication has moved from being the final stage of policy-making into its heart. Simply with more and more open access to information, the government no longer achieves sufficient credibility to just communicate the policy results. Broader communicative practices serve policy legitimizing. Those communicative practices are seen as being embedded in institutional traditions (e.g. Healey, 1993) and more importantly, need some degree of stability in the system, with shared responsibility and reasonableness of players (Schedler, Folke, 2001) as in a "risk society" not even experts have complete knowledge. Thus Healey *et al* (2002:6) declare a " 'turn' away from rationalistic and positivist approaches to how policy is made and delivered, towards social constructivist understandings of the

constitution and role of discourses and practices in structuring governance processes”.

A sample of literature presented above is relevant to our analysis. First of all, this literature poses a question: does language (or, specifically, formal regional development strategies) merely communicate the results of the political process, or, in the mode of communicative governance, does it represent the core of policy making, constituting its separate dimension. There is an inherent tension between perceiving the strategies as a demonstration of regional preferences, a policy outcome, or the policy-making process itself. Which view is more appropriate in this case can only be determined from examining the data.

A working theoretical framework for the analysis following the literature review is summed-up in Section 4.3.5 below.

4.3.5. Core analytical framework for regional preferences

The key points identified in the reviewed literature can be summarized as follows:

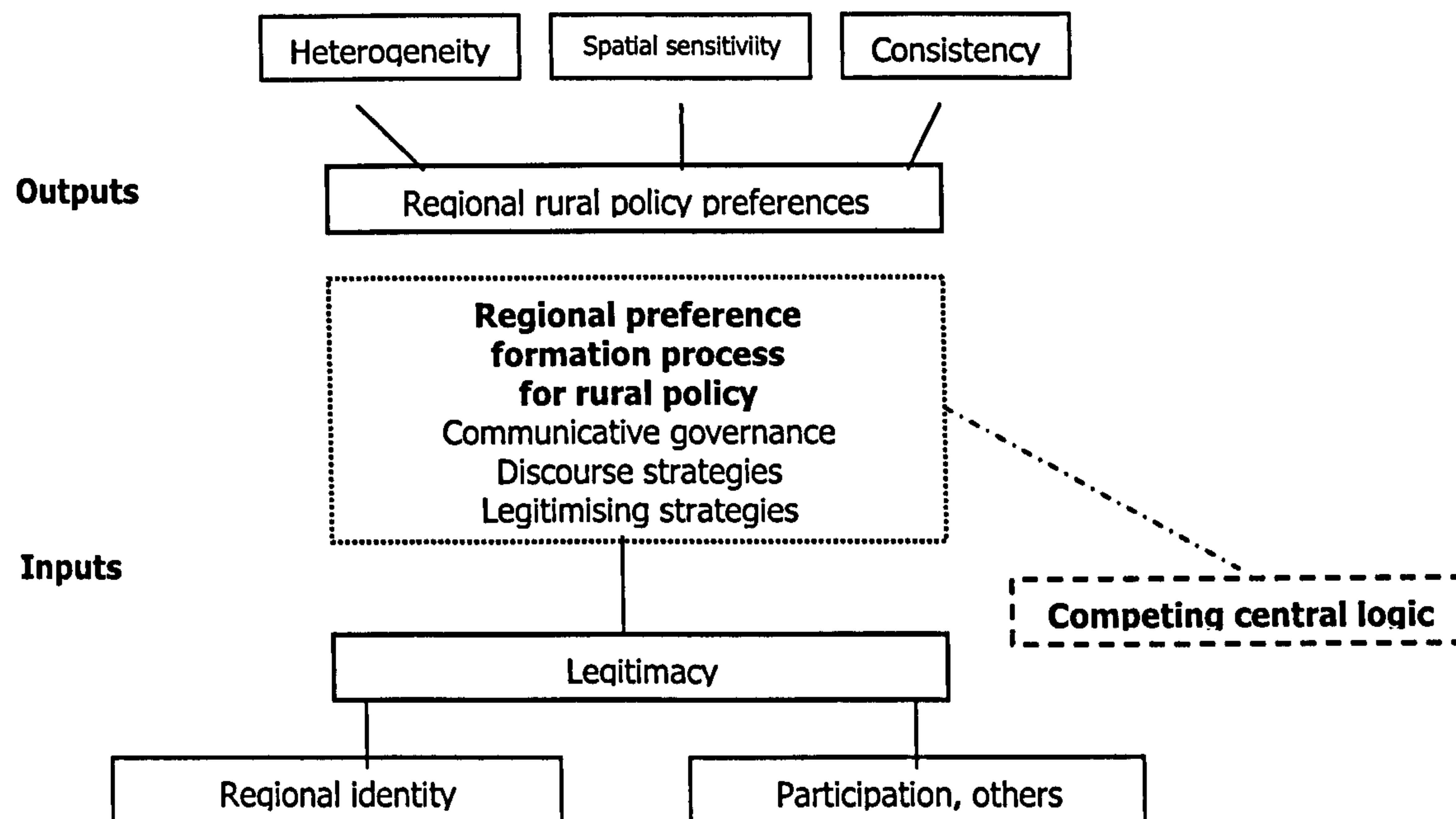
- collective preferences matter for policy making, but they are likely to be dynamic, and possibly, intransitive;
- the outcome of collective preference formation is sensitive to the aggregation process, so preferences revealed via the regional logic need not correspond to preferences revealed via central logic; it follows that the legitimacy of the regional formation, relative to the central one is crucial;
- one factor through which the regional governance acquires its legitimacy lies in references to regional identities; other legitimizing strategies might be involved;
- language constitutes both the means of communicating policy outputs and lies at the core of policy process itself (“communicative governance”).

Based on these insights and in line with the original research proposition of heterogeneity of preferences, Figure 4.1 (below) represents the core analytical framework for this chapter.

As identified in Section 3.8, most regions tend to exhibit intra-regional variation. This analysis includes the perceptions of regions themselves of internal variation, both in

rural circumstances and in policy preferences. This is an example of method triangulation. More detailed examination of methodological issues is presented in Section 4.4 below.

Figure 4.1. Central concepts for analysis of regional rural policy preferences



Source: own

4.4. Data and methodological considerations

Method triangulation (Brannen, 2002) is used to investigate the regional process of preference formation. Data are derived from the consultative process carried out in 1999 as well as the formal regional development strategies produced by the regional authorities in 2000.

4.4.1. Methodological issues connected with documentary research

The literature recognizes that documentary research can tell us a great deal about how social events are constructed (cf. May, 1997; Blaxter *et al.*, 1997). In fact, from the methodological standpoint, “documents as the sedimentation of social practices, have the potential to inform and structure the decisions which people make” (May 1997: 157)

The question of the meaning of a document is rather a complex one. At least two meanings can be distinguished: intended and received:

"Documents should never be taken at face-value. In other words, they must be regarded as information which is context specific, and as data which must be contextualised with other forms of research. They should, therefore, only be used with caution".

May 1997:158

However,

"This amounts to saying that where a systematic procedure has been used it should be described, and the results reported will then carry the conviction which the procedure deserves. The issue thus comes back to that of devising satisfactory systematic procedures of analysis and interpretation"

Platt 1981:62

The data used to explore regional development preference for structural and rural development policies across Polish regions exhibit limitations, and biases. These have to be acknowledged, but cannot be explored or counteracted without far more information than is currently available.

4.4.2. Regional development strategies and data constraints

The full texts of all the regional development strategies are accessible in Polish on the internet, with an exception of Lodzkie, Warminsko-Mazurskie and Kujawsko-Pomorskie. Those strategies were not available on-line at the time of writing.. For Lubelskie, only an abbreviated version was available (for details see: References).

They were produced according to Polish law⁶¹. Few guidelines were pre-defined as to the content of the documents. With the genre of strategies essentially associated with (heavily criticized) past central planning practices, the new planning procedures and redefinition of planning were left largely open to institutional creativity. The strategies are legally required to:

"enhance the Polish patriotic feelings and civil awareness, boost economic activities, enhance competitiveness and innovativeness of regional economy, provide for the protection of cultural and natural heritage, create spatial order, facilitate development of social and technical infrastructure (of regional importance) education, as well as promotion of regional resources."

Art. 2 of Law on the Regional Governments

⁶¹ Law on the regional self-government of 5 June 1998 (OJ 91, 18 July 1998)

The regional authorities have been legally committed to cooperate with local authorities, professional organizations, governmental authorities, NGOs, academic and research centers as well as international organizations and regions (Art. 2) in the development of these strategies.

A major methodological problem for comparative analysis is that the regional development strategies do not follow a standard format (Jazlowiecki, Gorzelak: 2000). These authors discuss the lack of clarity in strategy definition: for some regions the regional development strategy is a strategy for regional authorities only, for some it is the strategy of all development stakeholders, including private and public sectors, and for the rest the strategy implies a strategy for all regional actors (as opposed to the central competences). Obviously, those differences are reflected in the policy preferences listed.

Secondly not all documents have a clear indication how they were elaborated or indeed which stakeholders were involved and in what way. Also, the omission of preferences does not necessarily mean that the authorities do not feel the priorities should not be implemented in their region, but perhaps that the priority is considered an issue for central government rather than being one of regional competence.

Thirdly, the preferences do not always recognise resource constraints and necessary policy choices. Wish-lists were not ruled out in the procedures specified for the production of these documents. Indeed, such an approach was encouraged by the system. Since the planners realized the strategy document would constitute the basis for future allocations, they rationally pursued a wide range of objectives.

For those reasons, the comparative analysis below can only be treated as indicative.

4.4.3. Regional consultation process for SAPARD and its biases

In analysing the SAPARD consultation process, some data constraints were obvious and important.

The consultation process for SAPARD priorities had a biased composition of participants.

The regions received a suggested composition of participants so as to ensure a representative coverage. Out of the proposed 80 participants in each region, the Ministry suggested the following breakdown: marshall officers (5-7 persons), voivodship officers (2-3 persons), agricultural advisors (5-7 persons), agricultural chambers (1 person), farmers organisations (5-7 persons), regional employment officers (2 persons), district mayors (10 persons), commune chiefs (10 persons), wholesale markets or producer groups (2-3 persons), regional development agencies (2 persons), regional statistical offices (2 persons), forestry (2-3 persons), water management (2 persons), and local leaders. Nonetheless, the process featured a high percentage of local, district, and regional authorities, with relatively low share of farmers, and the private sector representatives in general.

Moreover, it is important to realise that the breakdown of funds might not reflect an ordinal ranking, but may simply reflect cost differences between the provision of particular goods and activities. The provision of training tends to be less expensive in absolute terms than, say, infrastructure projects.

Finally, the results of the consultation process are conditional on specific questions and constraints introduced. Choices made from a closed set (as in SAPARD) may not be directly comparable with preferences given an (almost) unlimited potential solutions (as in the strategies).

4.5. Legitimacy of regional rural development preference formation

This section will examine various legitimizing strategies employed by the regional authorities in their regional development strategies. The analysis, however, is confined to textual data only (for more detailed information on the strategies, see Appendix 15).

4.5.1. Legitimising regional identities

This Section provides a textual analysis of role of regional identities in legitimising Polish regional authorities and their strategies.

Three North-Western regions (Dolnoslaskie, Zachodniopomorskie, and Lubuskie), assert

deficits in territorial identities, clearly for historical reasons (see Section 3.3). Notably, these regions score highest on the resource index. In view of the absence of territorial loyalties, the regional authorities exhibit a varied commitment to developing them. For example, the Dolnoslaskie strategy text elaborates the importance of regional bonds, and even indicates positive events in post-war period, upon which such frameworks can be built, using a strongly marked discourse of civil involvement and moral values⁶². This stands in contrast to a brief factual statement in the Zachodniopomorskie strategy that "the region is perceived as non-coherent and difficult to cooperate with" (p.52), though the development of identities belongs to one of the hundreds regional objectives. Lubuskie perceives identity and social bonds as high on the list of regional objectives, but needs to assert and facilitate cohesion, as the region has emerged out of two equivalent "small voivodships".

Three regions assert their territorial identities, albeit at levels smaller than the region. Mazowieckie admits "the level of regional identity or a sense of regional belonging is low or does not exist at all" (p. 39). Affiliations of "small" voivodships, and a resulting lack of territorial cohesion lead some authorities to admit openly that: "Mazowieckie is a region of very weak social and cultural integration. The level of regional awareness and common interests is very low". A similar issue faces Slaskie region. An aggregate of three "small" voivodships, Slaskie presents its strategy as a strategy of three former named voivodships (bialskie, czestochowskie and katowickie) on the title page. Although Slaskie boasts the presence of strong local identities and "an area of clear diversified cultural pattern", a larger collective regional identity is missing. Similarly, Pomorskie reveals a lack of distinct regional identity, and expresses a preference for fostering such regional affinity based on the local traditions of smaller communities.

Two regions (Podlaskie and Swietokrzyskie) briefly admit their strongly developed regional identity and social activity, though do not elaborate the point in their text. Since those regions are relatively poor, their authorities use merely two lines in the text to stress them, possibly fearing the negative image.

⁶² In fact, Dolnoslaskie regional elites have been organised around a strong university, based on professors arriving from the former Polish city of Lvov, which is an example of "imported elites". Imported elites contrast with late elites in the city of Szczecin, where the university was only established in the late 80s.

A strong defensive identity characterizes the Opolskie regional strategy. The smallest region in Poland had to fight a battle to preserve its separate boundary (Regulski, 1999). Proud of “defending their region” (p. 8), the Opolskie regional strategy asserts that the region has been historically formed and is coherent.

Three regions (Podkarpackie, Wielkopolskie and Malopolskie) positively draw on their identities. Podkarpackie’s identity goes back to a pre-1975 administrative division (cf. Section 3.3): “although in the last 25 years the territory (of Podkarpackie) developed separately, due to bonds emerging in the past, it can be treated as an economic region (...) There is a sense of common tradition and cultural identity, and first of all they function in social awareness” (p. 7). However, only two strategies use a collective “we” in their rhetoric, as a strong indication of discursive identity (de Cillia et al, 1999): Wielkopolskie and Malopolskie. All other texts use impersonal sentences or the passive voice. An open assertion that the “Wielkopolskie region is historically and culturally identifiable” is supported by the use of grammatical “we”. Moreover, the region needs to assert the seemingly obvious: “the region is part and parcel of Poland, a unitary state; the strategy cannot adopt provisions with negative consequences for the state of a whole or for its constitutional functions” (p. 32). Such an assertion certainly, yet indirectly addresses local concerns or refers to local ambitions for limited autonomy, while giving the impression of being sufficiently secure in its local identity to admit at least limited dependency, and wider allegiance. Similarly, the Malopolskie “we” relates to maintaining an already existing identity, yet does not indicate any separatist underpinning.

To sum up, most regional authorities perceive the value of regional identities. Identity development and creation is often mentioned amongst the strategic regional objectives. However, present deficits in regional, and sometimes even broader territorial identities are revealed. Three North-Western regions, ranking highest on rural resource scores (cf. Section 3.7), reveal deficits in both regional and territorial identity in their strategic discourses. Three mid-ranking regions (Mazowieckie, Pomorskie and Slaskie) reveal

territorial, albeit not regional affinities. Two poor regions (Swietokrzyskie and Podlaskie) barely mention their existing identities, not least for the fact that they have been traditionally lagging behind with a possibly negative image. Three regions (Wielkopolskie, Malopolskie and Podkarpackie) positively present their present regional identities, albeit only Wielkopolskie and Malopolskie use the strong discursive “we”. One region, namely Opolskie demonstrates a strong defensive identity.

4.5.2. Legitimising participation

Participation has been used by all regions as a legitimising tactic for a regional development strategy (see Appendix 15).

The authors of strategies usually devote a substantial amount of text to the description of consultation exercises. For all strategic documents, with notable exception of Podlaskie, specific information on participatory process has been given. Podlaskie, though asserting consultation, failed to provide details for credibility. All strategies, apart from Lubuskie and Pomorskie, and partly Swietokrzyskie (relying on external academics from Warsaw or a foreign consultancy firm) have been established by endogenous resource mobilization and at least limited participation.

The scope of the participation process has been broad, typically involving 300-800 persons in each region. In all cases, the key group consulted involved local (commune and district) authorities, which reflects the regional political networks; academic circles, and less frequently business representatives. Most regions have established special governance structures, such as task groups or working groups as partnership mechanisms.

Clearly, consultative governance has been used extensively in legitimising the regional strategies. Where the processes of consultation occupy a central place in the text, the resulting strategy appears non-selective, and texts with 50 or so pages of mere objectives and priorities are by no means rare. The shortest strategies are those prepared by external experts (notably Lubuskie and Pomorskie).

Regions can be seen to have decided to mobilize substantial resources to respond to demands for more democracy and participation. One could argue that the implementation of deliberative democracy has been relatively straightforward for the strategic documents. The strategies tend to be inclusive, with few definite negative choices. A more cynical argument can be put forward that decisions with financial consequences, potentially offering political and bureaucratic rents, would bring more disincentives for local access and participation.

4.5.3. Other examples of discursive legitimacy

Other examples of discourses used to justify the regional legitimacy implicitly reveal a variety of demands to which Polish regionalism responds (cf. Section 1.7.).⁶³

Seeking legitimacy by demonstrating break-up with central planning tradition

Numerous regions (especially Pomorskie and Lubuskie) used the strategies as a forum for demonstrating that they understand the mechanisms of free market conditions. Elaborate academic texts, as well as university prestige (in the cases of Pomorskie and Lubuskie, professors imported from Warsaw) are used as a legitimising strategy. Direct assertions (as in Lubuskie), that the strategy “should not be mistaken for a central plan characteristic of the previous era” and a multitude of general statements of the nature of new world under free market economy have been used. Elaborate academic lectures on the nature of market economy (e.g. in Pomorskie and Lubuskie strategies) seek to establish a common framework of understanding of the transition. Evidencing their ability to comprehend and function in a new market economy is partly a response to a demand for reassurance in the new changing regions. Some strategies, which note a tension between planning (associated with central planning) and the nature of free market, try to address this apparent cognitive contradiction. In contrast to Western concepts of a “risk society”, which now eschews experts’ comprehension in favour of group deliberations, faith in omnipotent academic experts appears high, especially in regions featuring weak internal bonds (Lubuskie, Pomorskie, but also Lubelskie).

⁶³ This Section serves merely as an indication of legitimizing discourses, substantiating our previous analysis (especially in Section 1.6.). A more elaborate study of regional discourses, though undoubtedly interesting, lies outside the scope of this thesis.

This discussion raises a further point about the legitimacy that the regional authorities are seeking. Regional governments need to be legitimized by both their own constituencies, and also by the central government, from which they will derive much of their own resource and thus effective power. One interpretation of the elaboration of market economics and the substantial use of academic experts and recognized external consultants is that these elements are being used to establish regional credibility, and thus legitimacy, with central government, as much as with their own constituents. Thus, the competing central logic also enters the construction of the strategy.

Legitimacy by europeanisation

Another important legitimising device is reference to EU standards, featuring in most strategies, a feature characterising the Polish regionalisation debate (cf. Section 1.7.). Opolskie asserts that "creation of the strategy has been conducted based on the principles given by the European Union for such documents" (p. 7) and that the resulting document has met the felicity conditions. This belief in the underlying single EU requirement has been also successfully used within a europeanisation framework elsewhere (Grabbe, 2002)⁶⁴. Again, establishing credibility and legitimacy with European authorities is also an important aspect of regional governance in practice in Poland at this time.

Legitimacy by ascertaining defensive regional governance

Authorities of some poorer regions (such as Lubelskie, Podkarpackie and Swietokrzyskie) assert their legitimacy by claiming their capacities to defend their societies from the supposed oppressive nature of the market. Paradoxically, more power is claimed by these authorities than elsewhere (echoing the conventional conflict between state and market). Lubelskie (p. 3) asserts that the strategy seeks "to identify actions protecting from the negative outcomes of the market". Similarly, Podkarpackie claims that "the strategy is the most important document of the regional authorities, who act as the *initiator* and coordinator of development activities" (p.5) (emphasis added). Clearly, the

⁶⁴ Grabbe (2002) argues that in the europeanisation process, the applicant countries tend to perceive the EU and its requirement as a single entity, failing to recognize its diversity and national solutions. Meanwhile, the territorial organization, and of course, the structure of regional strategies is not regulated by the EU at all.

communicative act of authorities, asserting their capacity to initiate development, implies an absence of other initiating actors, or, at the least, consigns other actors to a necessarily subordinate role. Again, discursive reassurance is provided that the authorities can do what the market fails to provide. At the same time, Podkarpackie authorities reveal that "the strategy is by no means designed "to set actions in particular time or place" (p. 4). Exactly the same contradiction features in the Swietokrzyskie strategy. On one hand, the regional strategy is claimed to be "a management tool for regional authorities to *plan* development" (emphasis added) and on the other hand, objectives are admitted to be merely "hypothetical". Mazowieckie authorities claim discursive power, too: "the duty of public authorities is to act for encouraging the development and competitiveness where no development impulses reaches from the market mechanisms, as well as helping the people to participate in economic development" (p. 10). However, few details of how this can be achieved are to be found further in the text.

Legitimacy by promising good governance and trust

Postulative acts are employed as a communicative strategy by Dolnoslaskie. Rather than directly committing themselves to action, the regional self-governing authorities produce self-referential statements such as "a wide decency in action of self-government is necessary, which would be seen through willingness to help, openness and partnership in treatment of inhabitants" (p. 4). Note that statements of what the world "should" be (rather than "is") escape their logical false/true constative value and are appropriately categorized as speech acts.⁶⁵

Legitimacy by value-neutral managerialism in public administration

Extensive use of statistical data and a command of technical vocabulary is used as a discourse strategy to legitimise the Zachodniopomorskie strategy, at least amongst a perceived audience and ratification authority consisting mostly of professionals (the

⁶⁵ For example, consider a sentence: "Regional governance should demonstrate civil decency" (Dolnoslaskie strategy). This sentence cannot be attributed any logical true/false value for it does not relate to any testable reality. It can be more appropriately described as a speech act (Austin, 1965) of suggestion, or a macro speech act of implicit promise that the regional authority will behave decently. This promise is made implicitly in contrast to the current "indecent" practices. Otherwise there would be little point in making such assertions.

regional administration, working in consultation with the people). Largely in line with New Public Management, in this strategy little value-laden language is used, to imply that the rational, well-informed and competent administration is able and willing to contribute to development, as an outcome of technocratic and expert work.

Slaskie's strategy has employed a more sophisticated discursive device. The authors claim that the strategy is "compliant with local as well as central programmes", thus presupposing that such a compliance can be, and that it has been, assessed. Given the general, vague, and all-inclusive nature of the strategic texts, this claim can either be questioned, or amounts to little more than a tautology – the text can mean whatever anyone wants it to mean.

Legitimizing by relating to existing collective bonds

The only strategies that explicitly refer to existing territorial values are those of Malopolskie and Wielkopolskie. Wielkopolskie perceives the strategy as "collective inspiration for rational action for the region" (p. 13). Malopolskie authorities see their role not as opposing the market, but supporting and coordinating actions: "Putting some order on thinking of the development process, the strategy is supposed to assist in coordination of action of independent environs and actors (p. 12)".

Concluding remarks

In a nutshell, in 1999-2001 the regions employed numerous legitimizing strategies. Due to the relatively weak legitimacy emerging from regional loyalties, the regional authorities have used considerable resources to establish participative governance. Other legitimizing strategies exemplified include assertions of knowledge of market economy, and compliance with the EU standards, a response to the demands of breaking with the communist regime, reassurance in dealing with the free-market and europeanisation.

In the context of highlighted legitimacy of the regional preference formation processes in Section 4.5, we now move on to our core question of heterogeneity of rural policy

preferences.

4.6. Regional preferences for rural policies

4.6.1. Regional preferences for rural policies as revealed by regional development strategies

Table 4.1 shows the rural policy preferences as indicated in regional development strategies. A brief clarification is due. Preferences treated as revealed usually come under the labels of “objectives, or priorities”. However, there is sometimes an incompatibility between the analytical part and priorities proposed (e.g. in Podlaskie strategy). In such cases, only preferences mentioned under the “objectives (or priorities)” section are included. In instances of no separate rural and agricultural component in the strategy structure, a list is combined based on dispersed preferences relating to rural development made throughout the text.

Secondly, only priorities related to the rural development policy are mentioned, using an EU rural development policy definition (which, for example, does not cover rural health services provision). Of course, to some extent the border-line is not always clear, especially with environmental, regional and tourism policies. Finally, in most cases only explicitly mentioned preferences have been included. For example, many regions express their preference for “multifunctional rural development”, yet the implicit rural measures are not drawn on the basis of such a general preference. One exception is the LEADER initiative. Where regions refer to building on their own endogenous potential and culture, etc. an implicit preference for LEADER has been assumed.

Initial inspection of the Table 4.1 strongly suggests that the preferences are being driven by the existing EU and national policies. Few choices have been made that are not already reflected in the current legislative frameworks. Importantly, no region proposed any support or assistance for semi-subsistence farming (item 23 in Table 4.1), a measure only emerging in the Commission’s proposal in January 2002⁶⁶.

⁶⁶ The regional strategies of Kujawsko-Pomorskie, Warminsko-Mazurskie and Lodzkie were not available on the web at the time of writing and they are not included in the analysis.

Considerable homogeneity characterises the preferences for improvement of rural infrastructure, diversification of economic activities, marketing and processing as well as producer groups. Less univocal support is shown for investments in agricultural holdings, training or young farmer schemes (at the bottom of choice list), which might be attributed to regions' belief that these belong to central competences rather than to regional authorities.

Measures such as agri-environment, village renewal, water management and afforestation are popular, yet tend to be restricted to a subset of the regions. Some simply view them as a central, sectoral competence. Measures such as early retirement or extension, phytosanitary standards etc. are only occasionally mentioned in regional strategies, arguably because they more clearly belong to central competences. Other potential initiatives in, for instance, rural financial institutions, small town revitalization, special attention to post state-farm revitalization or rare-breed and traditional farm preservation, are not mentioned at all, though aspects may have been considered to have been included in those priorities which were mentioned by some regions (investors in rural areas, support for co-operatives, support for rural commuters).

**Chapter 4: Regionally formed preferences
for structural and rural development policies in Poland**

**Table 4.1. Preferences for structural and rural development policies across Polish regions
(from development strategy documents)**

<i>SAPARD compliant (1 – 15) Other FEOGA et. (16 – 25) Other Prefs. (26 – 37)</i>	DOL	LUBE	LUBU	□□□	MAL	OPO	PDK	PDL	POM	SL	SWIE	WKP	ZACH	Total
1. Diversification	X	X	X	X	X	X	X	X	X	X	X	X	X	11
2. Technical infrastructure	X	X	X	X	X	X	X	X	X	X	X	X	X	11
3. Processing and marketing	X	X	X	X	X	X	X	X	X	X	X	X	X	11
4. Support to producer groups	X		X	X	X	X	X	X	X	X		X		11
5. Farm investment	X	X	X	X	X	X	X	X	X	X	X	X	X	11
6. Education and training	X	X	X	X	X	X			X	X	X	X	X	11
7. Village renewal					X	X				X			X	3
8. Extensification & Env.	X			X	X			X	X			X		4
9. Water management	X	X		X	X			X			X	X	X	6
10. Aforestation				X	X	X		X		X	X	X	X	7
11. Land amalgamation				X			X	X				X		4
12. Technical assistance														0
13. Land register														0
14. Vet & phytosanitary					X	X								2
15. Farm relief														0
16. Quality improvement (farm)	X		X				X	X	X	X				5
17. Non-food production			X								X			2
18. Young farmers scheme							X					X		2
19. Forestry					X		X	X				X		3
20. Rural services									X	X				2
21. LFA					X		X							2
22. Early retirement							X	X				X		3
23. Semi-subsistence farms														0
24. Extension of good farming	X		X	X		X	X	X		X		X		7
25. LEADER type initiatives	X		X		X				X	X	X	X		7
26. Wholesale mkts. & infrastr.	X				X	X	X			X	X	X	X	8
27. Promotion of export activity	X					X				X				3
28. Support to genetic progress					X		X	X	X			X		4
29. Land purchase				X	X		X	X						2
30. Support to co-operatives							X	X						1
31. Market information system						X		X						2
33. Investors in rural areas			X											1
34. Support for rural commuters	X								X					1
35. Aquaculture									X					1
36. Organic agriculture	X			X	X									2
37. Collective use of machines					X		X							1

4.6.2. Preferences for rural policies revealed by SAPARD regional consultations

The results of SAPARD consultation exercise are summarised in Table 4.2. The regions were asked to select instruments from the menu of eligible measures. A clear resource constraint was introduced to the exercise for each chosen instrument, which was expected to be associated with a clear indicative budget allocation, in clear contrast to the context of preference expression in the strategy documents. Short- and medium-term selections were requested.

The preferences fall into three categories: those chosen by all (or almost all) regions, those chosen by selected regions only, those largely ignored. Regions univocally chose measures for improvement of infrastructure, diversification of rural economic activities, support for marketing and processing as well as to producer groups. A univocal choice of “diversification of economic activities and job creation”, especially associated with high budget allocation, appears partly a political narrative. Aside from its phrasing of “job creation”, incontestably desirable, the measure in fact provides for “the provision of public grants to private investors, who plan to create employment opportunities”. The narrative sounds reassuring, yet the questions of the availability of private rural investors willing and able to find suitable viable business opportunities with a limited demand remain questionable. Not all regions opted for support to investment in agricultural holdings: indeed this measure was not selected by Kujawsko-Pomorskie, or Podlaskie regions, paradoxically those which already use a substantial share of funding of the national agricultural investment scheme (cf. Section 5.4.3.). Indeed, they were probably left out because they felt this was the responsibility of central government, or that this requirement was already being met.

The second group of measures, such as development of training, village renewal, agri-environmental measures as well as water management, afforestation and land re-parcelling appear to show regional selectivity. The heterogeneity of training measure choices again could be interpreted as a result of feelings of central competency. Improvement of veterinary and phytosanitary standards and land register (rarely listed measures) also lie in central competences. A measure to set-up farm relief services (temporary outsourcing of farm labour) was ignored by all regions, probably because farm labour is abundant on farms.

**Chapter 4: Regionally formed preferences
for structural and rural development policies in Poland**

Table 4.2. Regional preferences for rural development policies (as revealed in SAPARD consultation exercise)

	DOL	KUJ POM	LUBE	LUBU	LOD	MAZ	MAL	OPO	PDK	PDL	POM	SL	SWIE	W-M	WKP	ZACH	Tota
1. Diversification of rural economic activities	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	16
2. Technical infrastructure	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	16
3. Imp. of proc. & marketing		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	15
4. Support to producer groups	X		X	X	X	X	X	X	X	X	X	X	X	X	X		14
5. Agric. structures & farm investment	X		X	X	X	X	X			X	X	X	X	X	X		12
6. Education & training	X	X	X	X		X	X	X				X		X	X	X	11
7. Village renewal	X	X	X	X		X	X	X	X			X			X	X	11
8. Extensive & env.					X		X	X		X	X	X	X	X			8
9. Water man.					X				X		X		X	X	X	X	7
10. Aforestation				X			X		X	X	X		X	X			7
11. Land amalg.	X		X									X	X				4
12. Technical ast.			X					X									2
13. Land register													X				1
14. SPS standards										X							1
15. Farm relief																	0
Frequency	8	5	8	8	8	6	9	8	8	7	9	9	11	10	8	7	N_α

Source: own analysis

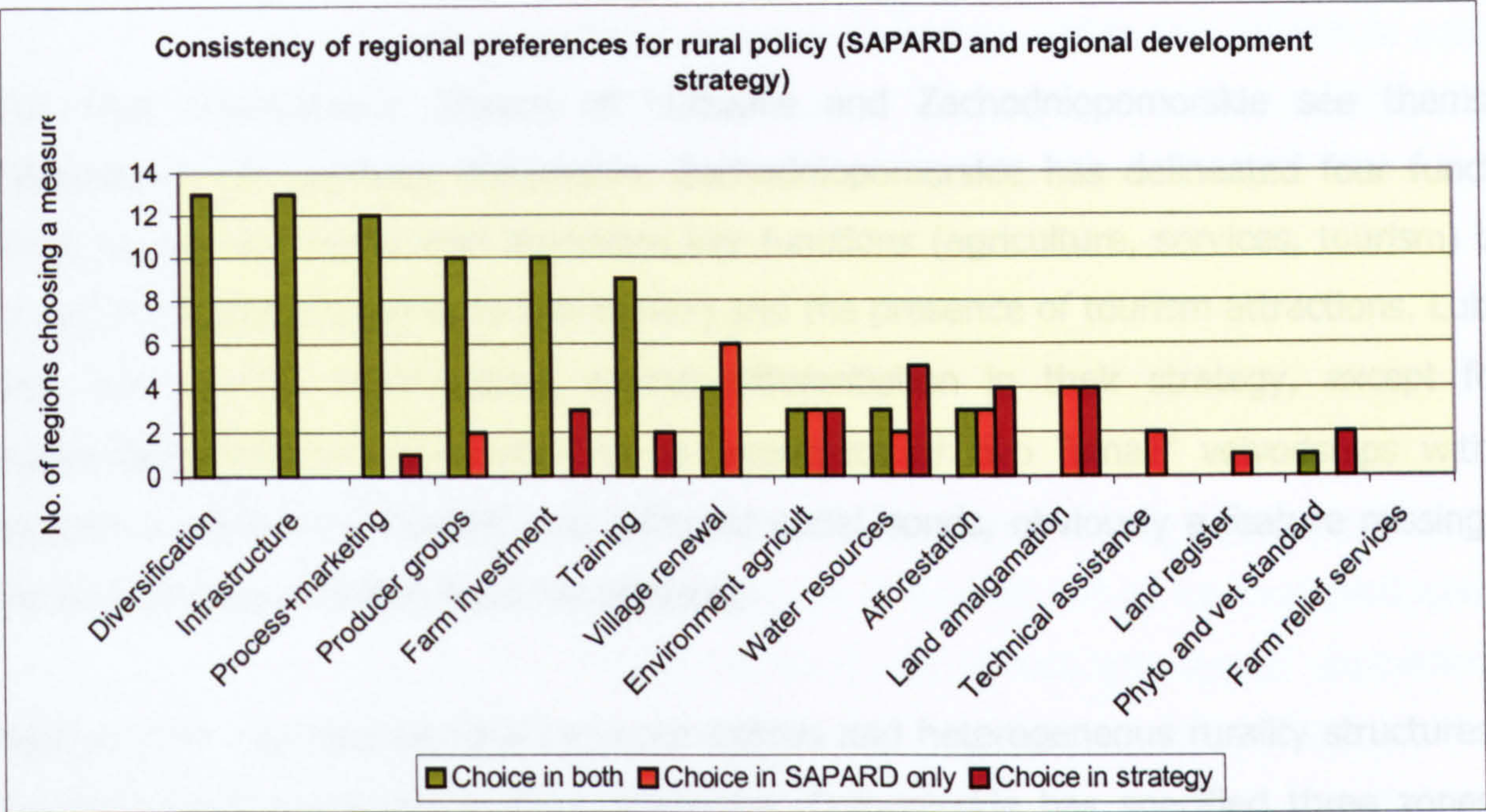
Symbols: X- revealed preference,

4.6.3. Consistency of preferences revealed via SAPARD and via strategy documents

The dynamic and changeable nature of collective preference formation processes, discussed in literature (cf. Section 4.3.1.), could lead to inconsistencies in preferences expressed in the strategy documents versus those expressed in the SAPARD exercise, since these two events did not happen at the same time. In addition, since the nature of the two exercises was rather different, it is possible that preferences expressed in each will appear inconsistent, even though regions' underlying preferences remain the same. In particular, since the SAPARD exercise required explicit choice within an overall budget constraint, the SAPARD preferences are likely to exhibit more selectivity than the strategy documents. However, the extent to which the particular programmes identified in the SAPARD exercise are also indicated in the regional strategy documents can be compared. The results are summarised in Figure 4.2, which shows those instances where the particular programme was identified in one but not the other. Apart from village renewal, the most obvious inconsistencies are shown for land and resource use related policies. It would seem that the idea of village renewal simply did not occur to 7 of the provinces when they were drawing up their strategy documents. Land resource measures may be inconsistent as some regions viewed them as a central competence.

Given that the SAPARD exercise explicitly included resource constraints on the choices made, it would be expected that regions would restrict their choice of programmes under SAPARD compared with their strategy proposals. In other words, it would not be expected that any region would express a choice for a programme in the SAPARD exercise that was not also expressed in the strategy document. However, this unexpected choice pattern is expressed in 8 of the 15 comparable programme titles. Furthermore, for 5 of these titles, regions show considerable inconsistency, choosing the programme in one or other of the two modes, but not both. Three possible explanations suggest themselves. First, the interpretation of the programme and its possibilities differed between the two events, and thus were not treated as equivalent. Second, regional groupings responsible for making these choices differed between the two modes, and thus reached different decisions. Third, the regional groupings simply changed their minds between the two events as the policy learning took place and preference expression changed.

Figure 4.2. Consistency of regional preferences (as revealed through SAPARD consultation exercise and regional development strategies)



Note: N=13 Choice in SAPARD only=23; Choice in strategy only= 24
Source: own analysis

4.6.4. Discourses of intra-regional differentiation in conditions and policy preferences

Whatever the inconsistencies, few distinct regional patterns of policy preferences can be distinguished at the level of regions on the basis of this analysis. This may reflect the fact that the regions themselves are not homogeneous within themselves, but exhibit substantial intra-regional diversity (as demonstrated in Chapter 3). A brief analysis below shows how the regional authorities perceive the intra-regional variation, if/how this differentiation is presented in the text, and if the presented variation in the diagnosis is accompanied by a variation in the instruments. Particular emphasis is given to ruralities, in reference to the rural regional profiles developed in Chapter 3 (Figure 3.10.).

Most of the strategy documents discuss intraregional differentiation in conditions. However, they do so with different emphasis and, only in one case (Wielkopolskie), translate this discussion into specific policy instruments. In general, the discourses of intraregional variation correspond broadly to the intraregional variation identified in Figure 3.10. albeit with a few exceptions indicating more intra-regional variation than perceived from the central

Chapter 4: Regionally formed preferences for structural and rural development policies in Poland

statistical standpoint. Below, an indicative comparison is made. A detailed analysis would require GIS software and detailed maps, beyond the scope of this project, and not necessary to our purpose here.

The most homogenous regions of Lubuskie and Zachodniopomorskie see themselves differently in the strategy documents. Zachodniopomorskie has delineated four functional zones for its rural areas with attributed key functions (agriculture, services, tourism) based on spatial capital (closeness to the border) and the presence of tourism attractions. Lubuskie does not address intra-regional spatial differentiation in their strategy, except for an acknowledgment that the region is an aggregate of two “small” voivodships with two separate systems of transport, and different social bonds, obviously a feature missing from the rural profiles available from the statistics.

Regions with mid ranking rural resource indices and heterogeneous rurality structures tend to assert some variations in their strategies. Dolnoslaskie has specified three zones with respect to natural and economic conditions. Pomorskie has recognized three types of rural areas (good agricultural conditions, suburban and tourist zones, and former post-state farming territories), however without providing a clearly geographic delineation. Opolskie has identified an intraregional division into four natural geographical ruralities. Similarly, the Slaskie region has identified three separate areas for strategic actions, based on the types of agricultural structures, plus a separate mountain zone.

Wielkopolska emphasises its high internal differentiation, and is the only region with a clear indications of sub-regional structures, coupled with proposed policy selectiveness and targeting. The analysis (prepared by Poznan academics) encompasses four types of rural areas in the region, distinguished with respect to farms’ linkages with the market and intensity of agricultural production. The relative importance of associated rural and agricultural policy instruments is indicated for each area in both medium- and long-term perspectives. Suggestions are made to designate principal small towns and villages for focusing rural development activities.

The Mazowieckie region, the largest in Poland, is also characterised by the highest internal divergence in rural resource structure. The region recognizes its internal cohesion problems,

albeit mostly in relation to the capital city. Despite rhetorical assertions for regional cohesion, most of statistics used in the text are presented for the aggregate regional level, disguising the inequalities and differences. The text asserts the presence of poorly developed Eastern regions as well as post-industrial decline areas near Radom, which are claimed to present a threat to the overall cohesion of the region. Large intra-regional economic disparities are recognised in the strategy, but do not translate into indications of differentiated policy instruments in heterogenous areas nor clearly modified financial allocative principles.

Regions with relatively homogenous profiles, though with low rural indices, tend to make more internal differentiations in their strategic text, albeit again not echoed in their policy preferences. The strategy of Malopolska distinguishes very briefly three rural zones, all described in one paragraph, according to criteria of intensity of agricultural production and topography, yet a list of policy preferences does not include any spatial separation. The Podkarpackie region perceives itself as a "region with large internal differentiation". The brief designation of five subregions (at district level) adopted for the whole strategy is not elaborated for the rural areas in particular, nor reflected in the specification of rural policy instruments. Likewise, Swietokrzyskie has devoted much room in their strategy to illustrating intra-regional spatial differences. However, again the intra-regional angle is missing from the strategic analysis, and also from the range of proposed instruments.

Finally, the relatively homogenous and poor regions of Podlaskie and Lubelskie do not note any spatial differentiation in their strategies.

To sum up, most regions have made an effort to describe their internal spatial differentiation, but their descriptive and analytical efforts have been translated into the spatial differentiation of policy instruments only in one case (Wielkopolskie). Clearly such translation is as problematic for researchers and advisors (cf. Chapter 3) as for policy makers. How regions see their internal spatial differentiation differs from the central perspective, primarily due to different benchmarks. However, most categorization of rural areas have been made in terms of agricultural structures, tourism attractions and spatial capital, clearly seen as both potential engines for economic growth and as current problem areas.

4.7. Conclusions: regional preference formation for rural policies in Poland – communicative governance?

This chapter has discussed regional preferences formation for structural and rural development policies in Poland, based on participant experience with SAPARD regional consultation exercise in 1999 and on the documentary evidence of regional development strategies.

A regional process of preference formation can by no means be taken at face value. An apparently simple question of what people want is underlied by difficulties in comparing the utilities associated with each choice (Doel, Velthoven, 1993). Essentially flawed with intransitivity and an inherently dynamic nature, the process and its outputs are highly dependant on the mechanisms of aggregation (see, e.g. McLean. 1987; Gerber, Jackson, 1993) and the timing and context of observation. For this reason, it is argued that the validity of regional preference formation needs to be seen in relation to the central preference formation. Much of the regional studies literature in fact perceives the legitimacy of regional policy making as coming from territorial identities (e.g. Dardanelli, 1998; Keating, 1998; Rodriguez-Pose, Gill, 2002; Les Galle, 1998; Paasi, 2002; Teune, 1992; Raagmaa, 1986). More general views on legitimacy are linked to participation and communication (Dryzek, 2002), in contrast with tautological views on legitimacy as part and parcel of democratic legal systems (Weber, 1993) or regulation theories (cf. Section 1.5.3.).

Based on the theoretical considerations above, a working theoretical framework has been formed inductively (Fig. 4.1.) around preference legitimacy, heterogeneity, spatial selectivity and consistency.

The regional development strategies reveal a variety of legitimising discourses. Significant deficits in regional (or, in some cases, even territorial) identity are revealed in the strategy texts. Only Wielkopolskie and Malopolskie (and, partially, Podkarpackie) consistently use the discursive “we”. Opolskie boasts of a defensive identity. The strategies of Slaskie, Mazowieckie and Pomorskie reveal some territorial, albeit not broader regional identities. The strategic texts of regions of North-Western Poland (Zachodniopomorskie, Lubuskie,

Dolnoslaskie) indicate a deficit of both territorial and regional identities. In the absence of genuine common histories or territorial frames of references in most new voivodships, a variety of communicative actions are performed as legitimizing strategies. Participation has been the main legitimization strategy. Regions have mobilized substantial resources for exercising participative consultation, typically 300-800 persons per region. Clearly, the process provided an important beginning to participative governance. However, one could argue, the growth and development of such local participation in governance may not easily survive the emergence of political and bureaucratic rents as and when the processes and associated structures of regional governance become more established. Other strategies include assertions of breaking-up central planning traditions, europeanisation and reassurance, all acting as push factors towards preferences for more regional governance and participation.

In line with the public choice theories (cf. Section 4.3.1.), the preferences exhibit inconsistency and a dynamic nature. This is especially the case with those preferences that could be spatially selective, such as such as development of training, village renewal, agri-environmental measures as well as water management, afforestation and land reparation. For homogenous policy instruments, such as rural infrastructure, diversification of economic activities, training and support to processing industry, finer differentiation, for example in criteria targeting the beneficiaries or in budget breakdown are possible, yet the evidence for such decisions is missing from both the available data sources. In addition, choices exhibited under regional development strategies did not pay attention to resource constraints, thus corresponding more closely to a wish-list rather than with explicit choices associated with opportunity costs. But, requiring the chooser to be explicit about how much they are willing to allocate to particular priorities also requires them to take account of the "supply prices" of the things on offer, not just their demand prices (their preferences). Budget constrained choices will thus better reflect the reality, and provide choices on the basis of the perceived benefits versus costs of particular provisions, while unconstrained choices (based solely on the perceived benefits) are clearly likely to be naive and inconsistent with reality. The experience of the strategy documents also indicates that all-inclusive choices result from participative governance being under pressure from a variety of stakeholders. The real choices will only become apparent as these strategies are made operational, during which the opportunity costs of various policy options will become evident and binding.

In conclusion, the strategies of Polish regions in 2000 may well be best understood as incidents of embryonic “communicative governance” (Healey, 1993) rather than as pure manifestations of collective choice practices.

To some extent, the homogeneity of strategies simply results from bureaucratic logic. Where the regional authorities have limited own budgetary resources (cf. Section 1.7), their strategies are bound to form the basis for requesting external assistance. For that reason, a straightforward approach is to make the strategies as broad as possible, so as to align them with most funding opportunities available now and in the future. Furthermore, expressed preferences have apparently taken account of the drafters’ perceptions of regional versus national competencies and responsibilities. Given that regional authorities are still learning about their roles and place within the national structures, it would not be surprising if these perceptions change substantially in the future.

Nevertheless, administrative templates in the strategy formulation have so far failed to demonstrate visible regional patterns for rural policies. Indeed, although policy learning is happening in regions, regional authorities need time (and resources) to establish their real presence. As confessed by a regional politician:

“Sometimes people do not believe us when we tell them that something is not possible. For such circumstances we need to resort to Warsaw and prove that the decision has been taken by the ministry”.

from interviews

However, regions are increasingly pursuing differentiation.

“in the beginning, we all had the same strategy for pursuing highest agricultural productivity. But with time we have realized that all regions cannot be the main agricultural producers. I have learnt so much since the strategy was produced. First of all, we need to seek our regional unique offer. I have managed to persuade communes that this is the only way forward”.

from interviews

Regions are learning and changing their preferences quickly, particularly in preparation for EU integration. They are already beginning to pursue uniqueness and differentiation from others (a quasi market response as opposed to a central planning response – where to be different was to be exposed and vulnerable to censure or worse). Whilst the basic preferences for public services are likely to remain unchanged (for which, considerable

Chapter 4: Regionally formed preferences for structural and rural development policies in Poland

resources are needed), more and more scope for genuine differentiation is likely to emerge with time. It is hard to say how much time it will take for powers of diversification and regional identities, substantiated by genuine regional governance processes and structures, to become visible. And, perhaps, the main rural differentiation in preferences is likely to happen at the more local rather than the regional (voivodship) scale, though this will depend on the extent to which localities are provided with sufficient autonomy and resource to exhibit and exploit their differences.

Chapter 5

Regional distribution of funding for structural and rural development policies in Poland

Politics is about who gets what, when and how
H. Lasswell

5.1. Objectives of Chapter 5

No analysis of regionalisation can be complete without budgetary considerations (cf. Table 1.1. and Fig. 1.2.). Indeed, the financial allocation and distribution typically lies at the heart of policy making, at least from the operational bureaucrats' perspective. The financial distribution resulting from any policy is often a central factor in the judgments of a policy's legitimacy by both donors and recipients. This chapter deals with the financial allocation of rural development funding between regions in Poland. An explicitly regional distribution of rural development budgets has been required in Poland for two major but connected reasons: one internal and the other external (i.e. EU driven).

The EU cohesion policy context, although both imprecise and partly contradictory, was seen in Poland as setting an overall framework within which policy legitimacy will be judged by the EU authorities. EU legal provisions, in conjunction with an increased amount of funding and intensive administrative procedures, have encouraged some policy deconcentration. Such deconcentration itself requires an element of regional budgeting for internal management reasons. As a consequence, a budget allocation based on a regional framework, instead of on horizontal sectors or target groups, was seen as a primary requirement in Poland.

This chapter examines the logic of a regional structure to the rural development budget and looks into the extent to which the actual budget absorptions appear to follow this

logic. Section 5.2 deals with the contextual framework for spatial allocative decisions as defined by the legislative and political environment of EU cohesion policy. This discussion necessarily includes the theoretical foundations for spatial equity considerations, especially in the provision of rural policies (in particular for investment support). This discussion reveals the thinking underlying the development of the SAPARD programme for rural development with regard to regional funding envelopes. Section 5.3 reports on the SAPARD regional funding allocations, which included specific regional equity modifiers, with special emphasis on their spatial targeting and congruence with cohesion objectives. Section 5.4 examines the regional distribution of previous national rural development schemes in relation to the SAPARD allocation criteria, in order to determine whether the absence of regional equity mechanisms results in significant territorial imbalances in policy absorption. Section 5.5 concludes the debate on spatial allocation of rural development funding, in particular referring to the use of regional budgetary benchmarks as a regional equity mechanism.

5.2. Context for undertaking spatial budgetary allocations for rural development programmes

5.2.1. Ambiguities in EU cohesion policy and in its rural component

The EU rural development policy⁶⁷, financed from FEOGA, belongs to a wider framework of the EU cohesion policy, which is often characterised by its ambiguous political context (Rynck and McAleavey, 2001; Amin, Tomaney, 1995; Bachler, Turok, 1997).

Why is a territorial logic for funding allocation necessary, in an otherwise sectoral and central structural and rural development policy such as SAPARD? The primary answer is relatively simple. Demands for a regional dimension of essentially sectoral policies, even in its basic monitoring, are the result of europeanisation (cf. Section 1.7.). Regional budgetary allocation is often believed to be an EU requirement (Lodkowska-Skoneczna, 2002). "EU compliant", as a quality mark, is expressed by Lodkowska-Skoneczna (2002) as confirmation of legitimacy. However, at the EU level, there is no single template for demonstrating legitimacy in funding allocation, especially *within* policy areas. This

⁶⁷ SAPARD was modeled on the EU rural development regulation.

demonstration has been left to Member States.⁶⁸ The concept of regional allocation of development funds (as opposed to other types of allocative mechanisms) is clearly recent, with no precedent in horizontal national aid schemes in Poland. Till now, those policies have been essentially central and sectoral, administered by the Agency of Restructuring and Modernisation of Agriculture (ARMA) and little if any attention was paid to spatial distribution. However, the simple answer to why regional funding distributions are important quickly generates more complex discussions and negotiations.

The first question (for any policy which is necessarily designed and implemented within the context of the European Union's framework) is that of the meaning of *cohesion*, especially in relation to competitiveness. Although, cohesion and competitiveness are not regarded as equivalent to social justice and economic development respectively, they nonetheless relate to equity considerations versus private sector dependent growth (Fainstein, 2001). The concept of cohesion is embedded in the wider context of the European model of capitalism, and especially in the ongoing debate on the relationship between the markets and state intervention. Hooghe (1998) points out that cohesion policy is justified as long as it empowers weaker actors so that they can compete and increase economic productivity. In this context, cohesion policy can be seen as both a counterbalance to European neo-liberalism and also to either ineffective or more expensive national welfare policy.

However, since European (as opposed to national) policy is so severely constrained by its limited total budget (legally required to be no more than 1.27% of GDP), it is clearly quite unrealistic to expect European policies to result in any substantial re-distribution from the rich to the poor. Hence, in order for European policies to cater for cohesion objectives, they necessarily have to emphasise self-help or enabling assistance. Such rural development policies (with an explicit cohesion objective) are thus strongly associated with competitiveness, rather than set to meet social goals such as equality and solidarity. Likewise, the funds are earmarked for productive effort, and only secondarily for the reduction of disparities in the living standards (Scott, 1995). Thus,

⁶⁸ Notwithstanding EU criteria for the availability of EU policies. However, those criteria need not be applied *within* Obj. 1, or 2 areas.

the redistributive function of EU cohesion policy is severely limited, while cohesion itself is, as yet, far from perceived as a social entitlement (Hooghe, 1998). In this light, the definition of cohesion offered by Begg (1995) appears reasonable:

"cohesion is political tolerability of the levels of economic and social disparity that exists and are expected in the EU and of the measures that are in place to deal with them. As such, it is a dynamic and subjective concept".

Obviously, "the political tolerability" is an essentially contested concept with no objective measurement. Nevertheless, it is clearly an alternative expression for practical legitimacy, as granted and demonstrated through the available political systems. Many researchers argue that in practice, the cohesion policy functions as a side payment for the less developed regions, to persuade them not to obstruct market liberalisation or dispute loss of monetary control (Leonardi, 1995; Borras, Johansen, 2001). Indeed, the budgetary provisions for cohesion objectives (of a mere 0.24% of the EU gross national product) have long been argued to be insufficient for a major progress (McDougall, 1977)⁶⁹. Linked with the fluid nature of cohesion targets is cohesion measurement. Despite criticisms for failing to encompass the quality of growth (Scott, 1995; World Bank, 2000), the main yardsticks for cohesion deficits are restricted to GDP per capita and unemployment rates rather than multi-dimensional indices or indicators, which are argued to be more appropriate by, for example, Scott (1995) and Heijman *et al* (1999).

The second point is about the units to which cohesion objectives actually refer. There are several possibilities, a mix of which is reflected in the EU legislation (Rynck and McAleavey, 2001). It appears reasonably clear from the legislative viewpoint, that cohesion in the EU is a spatial concept: it refers to geographical areas rather than to the vertical organisation of the society or to individuals. However, the basic spatial unit of reference remains ambivalent (Rynck, McAleavey, 2001). The cohesion objectives (enshrined in the Treaty, Article 130a) are formulated as aims "to develop and pursue actions to develop and pursue its social and economic cohesion" and "reducing the disparities between various regions and the backwardness of the least favoured regions, including rural areas". These statements reflect the elaboration of Article 2 of the Treaty

⁶⁹ As MacDougall reported already in 1977, a federal Europe of reduced disparities would need inter-regional resource transfers of 20-25% of GDP while looser federation would require of around 5 to 7% of EU GDP.

(referring to “promoting economic and social cohesion amongst the member states”) to encompass this same promotion within member states. This sense is also reflected in the Cohesion Report, which reports on cohesion both amongst the member states and between regions within member states. (CEC:2001). However, while the definition of member state boundaries may be taken as given and beyond current dispute, this same condition clearly does not apply to most regional dis-aggregations of member state performance or character. There seems little doubt that cohesion within member states is both very imprecisely captured by the chosen yardsticks, and is also likely to be contentious even within the narrow confines of these yardsticks because of the dependence on the debatable spatial definitions of the regions themselves.

The third point relates to the relevance of rural development policy for cohesion objectives. The Treaty (Art. 130c) envisages a regional role for the European Regional Development Fund, but not explicitly for either FEOGA or the ESF. As a result, FEOGA is horizontal and available to all rural areas across the EU and, with exception of Objective 1⁷⁰ and Objective 2⁷¹ areas, is not (yet) integrated with the regional programming (Saraceno, 2002). Indeed, the rural development policy is evolving from agricultural (sectoral) policy, rather than being specifically designed as part of the cohesion package. This historic origin is reflected in the preamble to the Rural Development regulation, referring primarily to the complementarities with the CAP. However, the rural development regulation does provide for the coherence with the cohesion objectives (point 10 and 109 in the preamble) by contributing to Objective 1 and Objective 2 programmes. In simple terms, it translates into differentiated levels of aid, favouring lagging regions (Objective 1) or regions undergoing economic restructuring (Objective 2). As a consequence, cohesion problems of inter-regional (or other spatial⁷²) distributions are effectively completely ignored if the whole member state is classified as Objective 1 area, as is the case for Poland.

⁷⁰ Objective 1 areas are defined as lagging behind in their development (“Objective 1”) where the gross domestic product (GDP) is below 75% of the Community average.

⁷¹ Objective 2 areas face structural difficulties such as agricultural or industrial decline leading to high levels of unemployment.

⁷² Except for LFA scheme (Rural Development Regulation, Chapter V). Less Favoured Areas are defined mountainous areas and areas with worse natural conditions for agricultural production. The specific designation of LFA is in competence of the member states.

The final point relates to the evaluation of the cohesion offered by a policy that is effectively denied a specific spatially differentiated funding. Such evaluation forces concentration on the actual or potential achievement of convergence (related to the competitive base), which is clearly a much more demanding task than simply asking whether or not the redistribution actually involves a transfer from the rich to the poor, or a distribution which favours poorer regions or ruralities, either in impact or effect. Boldrin and Canova (2000) argue that regional policies serve mostly a redistributive purpose, motivated by the nature of political equilibriums, and that they have little relationship to fostering economic growth, or convergence. However, in the case of EU funded and sanctioned programmes, this can hardly play an important part in the process, given the severe restriction on overall funding levels. Herve (1999), on the other hand, indicates that the eligibility of EU funding often results in cuts in the corresponding national funding, thus limiting the policy impact, in spite of the fact that the EU's provisions on additionality are supposed to prevent this happening. Clearly, there is a strong temptation, especially for relatively poor countries, to gain as much national advantage as possible from external (EU) assistance, and ways are frequently sought to evade or avoid Union rules.

These conditions seem to force the conclusion that the cohesion objectives and effects of current conceptions of EU rural development policy are very largely politically rhetorical, rather than containing any substantive content. Nevertheless, having given voice to the rhetoric, the political system is then obliged to demonstrate the significance of cohesion as far as rural development policies are concerned, in order to maintain the legitimacy of the programmes (as it does, for instance, through the classification of Objective 1 and 2 regions, and the design and implementation of specific instruments and criteria applicable only in these areas). The rhetoric, therefore, drives the regionalisation of policy in spite of, rather than because of any inherent logic or empirical rationale for a regionally defined policy package to promote cohesion. Furthermore, there is a clear political attraction to the idea that the regional distribution of funds resulting from these programmes demonstrates some re-distribution from the better off to the disadvantaged. A defensible regional distribution of funds thus becomes

a political imperative for these programmes.

5.2.2. Distributional effects on policy and spatial fairness

Acceptance of the political reality of the importance of regional distributions of funds, however, then raises a further question: how are regional distributions to be judged, or (equivalently) according to what criteria should regional funding envelopes be defined or designed, and thus defended? The natural and obvious answer to such questions is 'fairness' or 'justice'.

Distributional effects of public policies can be assessed in terms of social classes groups, gender, income classes, or a number of other social groupings. However the rise of regionalism, often associated with devolution within the national policy arena (cf. Section 1.7.), has brought a regional, or even broader territorial "fairness" to the agenda. supported by political actors, nowadays concerned not just who gets what and how, but also where this happens. Obviously, there is a substantial difference between reducing disparities between regions and individuals. Reinforced territorial agenda should not, however, obscure the simple fact that it is the people who are ultimately poor, not territories (Morgan, 2001), so territorial justice (however defined) cannot be seen as a substitute for social justice, however sympathetically one views the general concept of cohesion

Discussions about territorial distribution refer implicitly, or explicitly, to "territorial justice", or even more ontologically to "justice" or "fairness" as such. Whilst the multitude of ancient and contemporary philosophical discussions (for a review see e.g.: Fabre, 2002) are unlikely to bring a universal definition of justice, current practical and rather fuzzy definitions of the concept are set around "opportunities", and rights to enjoy "a combination of private and public goods" (Fabre, 2002), rather than necessarily an equal outcome.

The concepts of territorial justice reflect the contradictions and imprecision of justice in general. One contradiction is that the definition by the central authority of a central

template for a level of services within a territory paradoxically leads to a potential lack of appreciation of locally varied preferences. However, if territorial justice is to be operational, some definition needs to be adopted. Davies (1968:10) defines the concept of territorial justice as follows:

“In the services for which the most apparent appropriate distribution between individuals is “to each according to his needs”, the most appropriate distribution between areas must be “to each area according to the needs of the population of that area”. Since the former criterion is synonymous with social justice, we can call the latter “territorial justice”.

It follows, that:

“the statistical definition of territorial justice is a high correlation between indices of resource use, or standards of provision and an index measuring the relative needs of an area’s population for the service”.

Davies 1968:16

However measurable the above definition appears, the concept of need is an essentially contested concept with multidimensional and fundamentally relative components, leading to the obscure distinctions between “rights, deserts and needs”. Morgan (2001) offers a simpler, yet potentially more workable guideline for a fair territorial allocation: regional allocation can be higher in one region than in another due to higher needs; higher costs of provision, or local policy choices. Importantly, because of aggregation properties, equity at a higher territorial level does not necessarily imply equity at a lower level. All in all, Powell and Boyne (2002) argue a modern welfare state is caught in a trade-off between efficiency and equity. As costs of provision differ spatially, the state can only provide for territorial justice within a finite budget, if it decides to reduce the total amount of need being met in at least some areas. An essential lack of precision in theoretical as well as implementing concepts must result in failure of modern welfare states to demonstrate a spatial equity strategy.

Once again, as soon as policy makers seek to translate the political rhetoric of fair and just regional allocations into practice, the sophistry (or at least the imprecision) of the rhetoric becomes self-evident. Policy makers thus take refuge in seeking more specific justifications for particular regional variations in funding allocations. One important set of possible justifications involves the potential biases of government funding initiatives.

5.2.3. Allocative biases in structural and rural development policies

On a more specific level, it is argued that the uptake of rural development measures (in particular investment grants) features inequalities of a vertical nature. Two streams in the literature are useful in understanding biases in the distribution of development policies: principal agent theory (and its applications to rural credit systems) (e.g. Swinnen and Gow, 1998) and fiscal federalism, explaining the bias respectively towards bigger farms and wealthier localities (Musgrave and Musgrave, 1965; Oates, 1972; Begg, 1998).

Swinnen and Gow (1999) argue that the fact that credit is subsidized by the state by no means ensures that it is accessible to all farmers or rural businesses. Credit availability is constrained by the borrower's net value as well as by availability of collateral. Higher risks, poor availability of collaterals and costly business plans lead to the perverse effect on small farmers of further restricting their access to subsidised credit (Swinnen and Gow, 1999). Indeed, this theoretical effect is confirmed by the empirical data (Kulawik, 2000; Jozwiak, 1999).

Likewise, federal finance frameworks (Musgrave, 1965; Begg, 1998) explain the potential implication of using conditional, matching transfers⁷³ from the central level to the local authorities. Such grants require co-funding and monitoring and thus, entail additional administrative costs, more likely to be borne and accepted by richer regions.

Although biases towards larger farmers and richer local municipalities are not spatial *per se*, farm size and commune revenue base are geographically distributed in Poland (as shown in Chapter 3). Hence, it becomes possible to argue substantively in favour of a regional funding distribution that favours the poorer regions and smaller farms, at least in the Polish case.

⁷³ Conditional matching grants stipulate specific uses of the funds, and require match-funding. Such grants are part of EU policies, notably grants for infrastructure in our case.

5.3. Regional funding in practice: the SAPARD regional envelope experience.

The ambiguous logic of EU cohesion policies was well reflected in the Polish search for allocative mechanisms for SAPARD. Data on allocation between regions for the SAPARD programme, along with a detailed methodology, has been obtained from direct experience as well as the Agricultural Analysis Unit (SAEPR) in Warsaw via e-mail communication (SAEPR: 2001). The author participated directly in discussions on the design of methodology for allocating SAPARD funding to regions in 2000-2001. A search for objective and fair criteria began for all SAPARD measures (except for the processing industry, where spillover between regions were recognised and central perspective was adopted). The task was contracted to SAEPR, a Polish think-tank, independent from the Ministry, and, perhaps more importantly, from any political pressures.

The debate was generated as the concerns of inter-regional spatial distribution of horizontal rural development funding emerged⁷⁴ (see also: Reiner, 1999; CEC:2001) – largely according to the evolution of the arguments rehearsed in outline above. However, there was also an important practical need for regional budgetary envelopes to enable the programmes to be administered in a decentralised mode. Furthermore, the objective, transparent design of regional pockets of funding was meant to serve as a means of avoiding clientelism (for definition cf. footnote in Section 1.3.5). Moreover, it was felt that ring-fencing “fair” shares of funding between regions would ensure fair access by beneficiaries and prevent the more affluent regions from spending the bulk of the total budget. Such a concern was also voiced in the *ex-ante* evaluation of the SAPARD Programme (Dalton et al: 1999), while the practical dangers are illustrated by the Cohesion Report, which indicates reduced disparities between the Member States concurrent with enlarging gaps between regions in some member states (CEC: 2001). On the other hand, the implementation problems could also give rise to a “pork barrel”⁷⁵

⁷⁴ It is important to note, that besides regionalised budget mechanism, other equity mechanisms are built in SAPARD policy: such as preferences in the project selection criteria for communes with lower own revenue per capita, or beneficiaries from districts with high unemployment. Those mechanisms will impact intra-regional distribution, but are beyond the scope of present study, simply because of the lack of data on the outcomes of the SAPARD programme, which has not been in existence long enough to generate any results to date (Chapter 1).

⁷⁵ “Pork barrel” is a legislative appropriation designed to ingratiate legislators with their constituents.

(Rynck, McAleavey, 2001). The practical pressure to ensure that funds would actually be spent forced the designers to include an indication of absorption capacity, as an estimate of the likely demand for and uptake of grants. From strictly absorption arguments, the budget fragmentation could diminish the uptake. There is little point in allocating funds to regions on an equity basis, if the funds are unlikely to be used. Virement of unspent funds between regions would be politically difficult and time consuming.

A regional budget is a function of the criteria selected, their relative weights and the aggregation method. The two general dimensions for calculating the envelopes were determined as equity and efficiency. On one hand, the envelopes were to function as indications of regions' relative effective demand for grants – the justification on efficiency grounds. On the other hand, they were meant to provide equitable access (SAEPR: 2001) and avoid the potential bias that the already efficient would command the bulk of the funds. More detailed examination of the mechanism sheds more light on the thinking of Polish national and regional policy makers of "fair" regional distribution. In general, as reported by an expert in charge of calculating the envelopes:

"I did not really have any problems to agree them as they were based on clear and transparent logic; they were easily adopted".

W. Guba, electronic communication

The criteria were transparent and discussed in the SAPARD Monitoring Committee⁷⁶, which delegated experts to oversee the process. Even within the "objective", there is some room for manoeuvre: regional arguments were, of course, specifically designed to increase their share: e.g. by moving threshold values or altering indicators: e.g. instead of number of cows, using milk sales etc. Broad consensus was easily achieved and legitimised by the agreement of the territorial partners within the Monitoring committee.⁷⁷ Another point was the choice of the formula: the distribution (flatter or more differentiated) is sensitive to the method of indexing and aggregation. "Flatter"

⁷⁶ The Monitoring Committee, is a collective body made up of central authorities as well as regional and social partners, charged with overseeing the Structural Funds operations, e.g. approve monitoring reports, approve programme alterations, and commission studies. The MC, however, is separate from the project selection.

⁷⁷ This discussion goes in parallel with a broader debate on the formula to divide regional funding, especially in the context of the whole set of Structural Funds as provided for in the National Development Plan (for more see: Lodkowska-Skoneczna, 2001).

distributions turned out to be more politically palatable compared to the more concentrated ones, a demand easily satisfied by adjusting the formulae for indexing and aggregation.

So, what did the final regional funding envelopes for three SAPARD measures look like? In particular, how does the funding allocation correspond to the EU cohesion policy? Two yardsticks of spatial cohesion deficits were chosen for the supporting analysis: a standard regional GDP per capita indicator, and an indicator of rural potential (the rural development index developed in Section 3.7, Table 3.21). In addition, a descriptive analysis was used to determine the level of spatial selectivity: high variation between the per capita indexes suggesting more spatial targeting of funding.

5.3.1 Rural infrastructure regional budget

The regional “fairness” envelope for the rural infrastructure measure has been constructed according to the logic of need (weight of 0.4), access/poverty (weight of 0.5) and costs of provision (weight of 0.1). The mechanism can be summarised as shown in Table 5.1.

Table 5.2. below indicates a relatively low level of regional targeting of the rural infrastructure measure. While the allocation has followed a principle of dispersion at least in spatial terms, the ratio of the highest to the lowest per capita allocations is only 1.66. Please note that such a calculation is underlined by an implicit assumption that all localities have the same needs for infrastructure, a concept referred to in literature as the “municipality paradox”.

Table 5.3 shows the correspondence between this regional allocation of funds and the cohesion yardsticks. Although the correlations are weak, nonetheless they are of the right sign, indicating that the funding allocation does flow in the direction of the cohesion objectives, as measured at the regional level.

Table 5.1. Model of “fair” budget regionalisation for rural infrastructure (SAPARD)

	0	A	B	C	$0.4*A + 0.5*B + 0.1*C$
	Equal piece of cake**	Need Index of Infrastructure provision	Access* Index of commune own revenue (G)	Cost of provision* Population density	“Fair” piece of cake**
DOLNOŚLĄS	1	1.072	0.68	0.96	0.86
KUJAW-POM	1	1.130	1.03	1.06	1.07
LUBELSKIE	1	1.335	1.32	1.17	1.31
LUBUSK	1	1.800	0.94	1.38	1.33
ŁÓDZ	1	1.257	1.00	1.00	1.10
MAŁOPOL	1	1.039	1.15	0.46	1.04
MAZOW	1	1.404	0.99	0.99	1.16
OPOL	1	0.959	0.86	0.69	0.88
PODKARP	1	0.863	1.45	0.78	1.15
PODL	1	1.041	1.33	1.97	1.28
POM	1	0.955	1.00	1.33	1.02
ŚLĄSKIE	1	0.757	0.87	0.63	0.80
ŚWIĘTOK	1	1.075	1.18	0.81	1.10
WARM-MAZ	1	1.286	1.02	1.83	1.21
WIELKOP	1	1.003	0.90	0.88	0.94
ZACH-POM	1	0.893	0.86	1.59	0.95

*Indexed in relation to the lowest level (=1) **Expressed as unit of finance / head rural pop.
Source: own presentation based on SAEPR (2001)

Table 5.2. Regional envelope for rural infrastructure measure in SAPARD:
descriptive statistics

	N	min	max	mean	std. deviation	max/min ratio	σ- coefficient
Regional envelope for infrastructure*	16	.80	1.33	1.0750	.1618	1.66	0.16
Valid N (listwise)	16						

*Expressed as a unit of finance per rural capita.
σ-coefficient calculated as the standard deviation divided by its mean, reflecting spatial disparities
Source: own

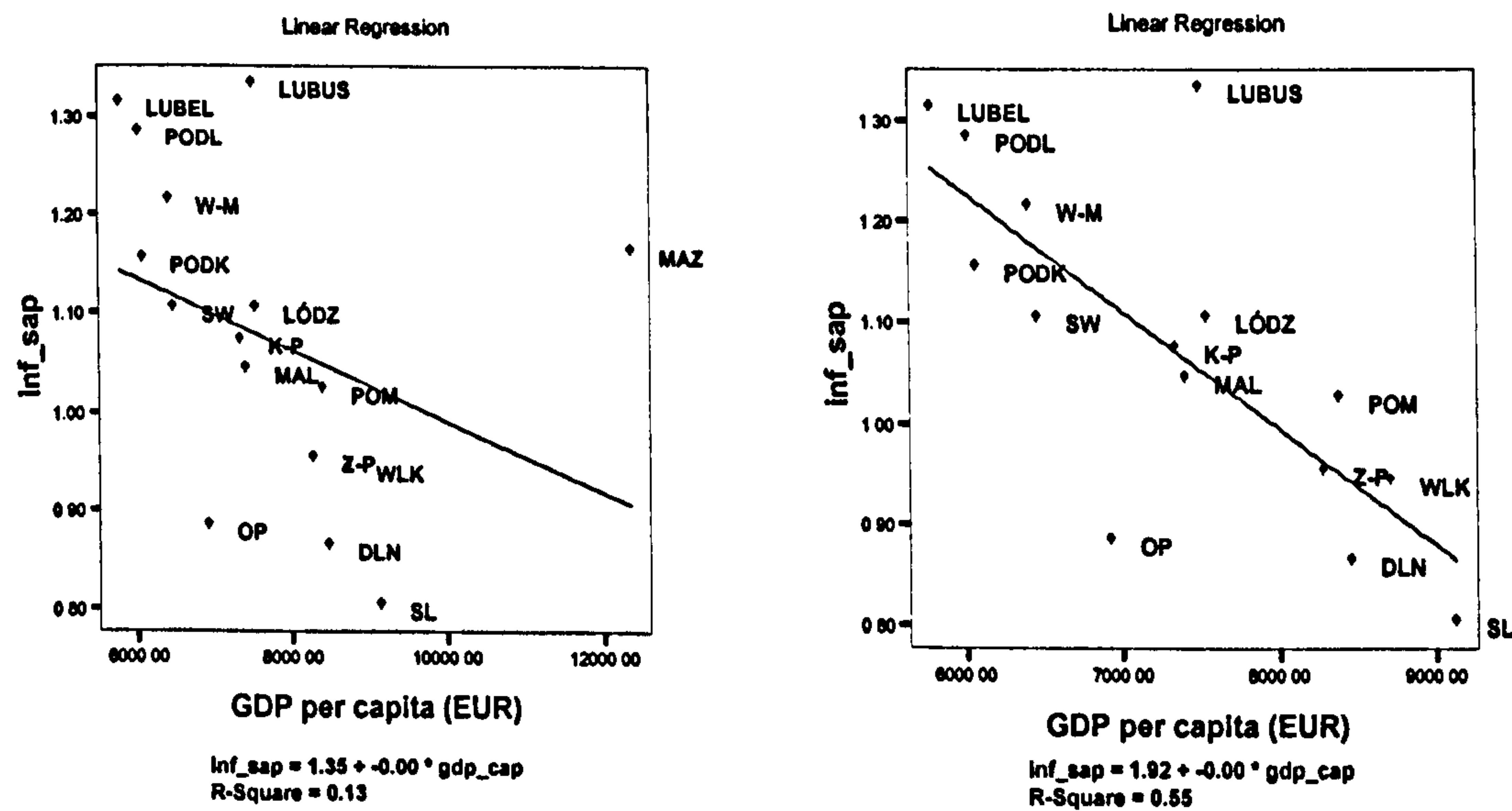
Table 5.3. Regional envelope for infrastructure measure against cohesion yardsticks (Pearson correlations)

	Regional envelope for infrastructure measure
Rural resource and structure index (rural cohesion measure)*	-.213
GRP/capita (regional cohesion measure)	-.361

Expressed in unit of finance per rural capita, indexed. *See Table 3.20. In Chapter 3. Source: own

The poorer regions do tend to get more funding for infrastructure (per head of the rural population), as seen in Figure 5.1. below, but the correlation between GDP per head and funding levels is by no means strong, and there are significant outlying regions from the general tendency. The regression improves when the main outlier (namely the Mazowieckie region, with the capital city) is removed (R-square=0.55). The regression, albeit of limited significance due to a small number of cases (16), does not exhibit a much better match (R-square of 0.15), when both a rural index and GDP/capita are used as dependent variables ($\text{infr_env} = 1.32 - 0.33 \cdot \text{GDP_cap} - 1.4 \cdot \text{Rur_ind}$).

Figure 5.1. Regional allocation for rural infrastructure and linkage with GDP/capita



Infrastrur: unit of finance per rural capita, Indexed

Source: own

5.3.2 Rural diversification regional budgetary envelope

The regional ‘fairness’ envelope for rural diversification in SAPARD has been based on the programme’s objectives. The envelope has been calculated as the region’s share in total (registered and ‘hidden’) rural unemployment. No references to absorption potential, or capacity (by e.g. relating the envelopes to the number of rural businesses) are made. The inclusion of these factors would be likely to ‘bias’ the allocation of funding towards those regions which were already exhibiting internal capacity to diversify, hence defeating the objective.

Table 5.4. Model of ‘fair’ budget regionalisation for rural diversification (SAPARD)

Budget	2	3	0.5*A *0.5*B per
Regionali	A	B	rural capita
-sation	Region’s share in registered	Objective	‘Fair’ piece of cake
	rural unemployment	Per Hidden unemployed	Per rural capita
DOLNOŚLĄS	1 ⁷⁸	1	0.5
KUJAW-POM	1	1	0.67
LUBELSKIE	1	1	1.09
LUBUSK	1	1	0.41
ŁÓDZ	1	1	0.9
MAŁOPOL	1	1	1.07
MAZOW	1	1	0.77
OPOL	1	1	0.37
PODKARP	1	1	1.39
PODL	1	1	0.7
POM	1	1	0.57
ŚLĄSKIE	1	1	0.6
ŚWIĘTOK	1	1	1.23
WARM-MAZ	1	1	0.66
WIELKOP	1	1	0.46
ZACH-POM	1	1	0.47

⁷⁸ ‘1’ in each column signifies that the regional share in the total national official or hidden unemployment is weighted equally.

Table 5.5. Regional envelope for rural diversification measure in SAPARD:
descriptive statistics

	N	Min	Max	Mean	Std. Dev.	max/min ratio	σ-coefficient
Regional envelope for diversification*	16	.37	1.39	.7413	.3095	3.75	0.53
Valid N (listwise)	16						

*Expressed as a unit of finance per rural capita, indexed in relation to the lowest level.

As demonstrated in Table 5.5 above, the regional budgetary allocation has been highly regionally differentiated with relatively high regional concentration, as evidenced from a high level of σ-coefficient. The resultant regional policy budgets correlate strongly with the cohesion objectives (as seen in Table 5.6.), especially with the measures of rural cohesion.

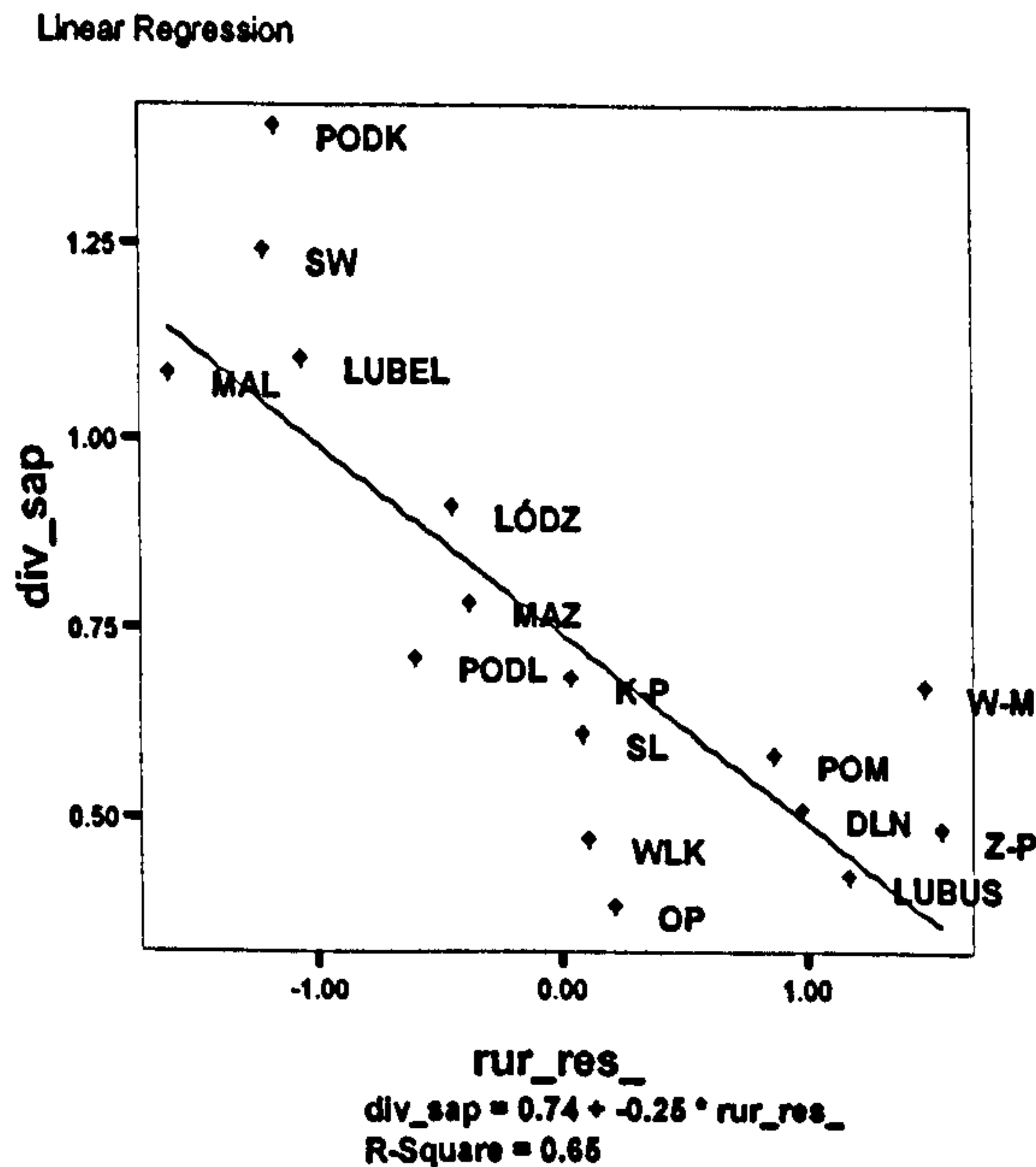
Table 5.6. Regional envelope for diversification measure against cohesion yardsticks (Pearson correlations)

	Regional envelope for diversification measure*
Rural resource and structure index (rural cohesion measure)	-.807
GRP/capita (regional cohesion measure)	-.361

*Expressed in unit of finance per rural capita

Source: own

Figure 5.2. Rural diversification financial allocation and its linkages with regional rural cohesion objectives



*Div_sap – expressed as unit of finance per rural capita, indexed

Source: own

The analysis shows an allocative efficiency, i.e. regions with a cohesion deficit (measured as either rural potential or regional GDP per capita) obtain a relatively higher share of funding for rural diversification. The regression only improves slightly (R-square of 0.68) when both GDP per capita and rural resource index are included as independent variables ($\text{Dive_sap} = 1.02 - 0.19 \cdot \text{GDP_cap} - 0.764 \cdot \text{Rur_ind}$).

5.3.3. Agricultural investment regional budgets

The regional envelopes for investment in agricultural holdings have been calculated on the basis of potential absorption capacity, by calculating a region's share in the sales of supported types of production (animal husbandry) as well as the share of agricultural land of supported farm size (of min. 5 ha). Such a defined pattern is simply designed to reconcile the sectoral logic with the required territorial dimension. The resulting regional envelopes need to be seen in this case as a fiscal management tool rather than as a specific equity modifier.

In particular, the envelope has been set by calculating the share of each voivodship in the production of supported commodity (milk, beef, pork, poultry, total plant, sheep) weighted by the share of a given scheme in the total budget of the measure. It is important to note that alternative formulae have been discussed for this envelope, based for example on the number of farms. Yet, ultimately the variant chosen (per unit of production) appears the most efficiency oriented.⁷⁹

⁷⁹ Albeit not entirely coherent with the logic of the programme, targeted to medium-sized farms.

Table 5.7. "Fair" regional envelopes for agricultural investment support schemes and its equity

Budget Regionali -sation	SAPARD "fair" regional envelopes	
	"Fair" piece of cake (Unit of finance per rural capita)	"Fair" piece of cake (Unit of finance per ha. of agric. land)
DOLNOŚLĄS	0.41	0.46
KUJAW-POM	0.79	0.72
LUBELSKIE	0.79	0.54
LUBUSK	0.37	0.42
ŁÓDZ	0.76	0.68
MAŁOPOL	0.15	0.35
MAZOW	0.71	0.67
OPOL	0.4	0.58
PODKARP	0.1	0.16
PODL	0.94	0.49
POM	0.59	0.55
ŚLĄSKIE	0.28	0.56
ŚWIĘTOK	0.21	0.25
WARM-MAZ	0.58	0.36
WIELKOP	0.79	0.88
ZACH-POM	0.39	0.31

Source: own calculations based on SAEPR

Table 5.8. Regional envelope for agricultural investment measure in SAPARD: descriptive statistics

	N	Min	Max	Mean	Std. Deviation	max/min ratio	σ- coefficient
Agricultural investment measure*	16	.10	.94	.5163	.2620	9.4	0.50
Valid N (listwise)	16						

*Expressed as a unit of funding per rural capita, indexed

Table 5.9. Regional envelope for farm investment measure against cohesion yardsticks (Pearson correlations)

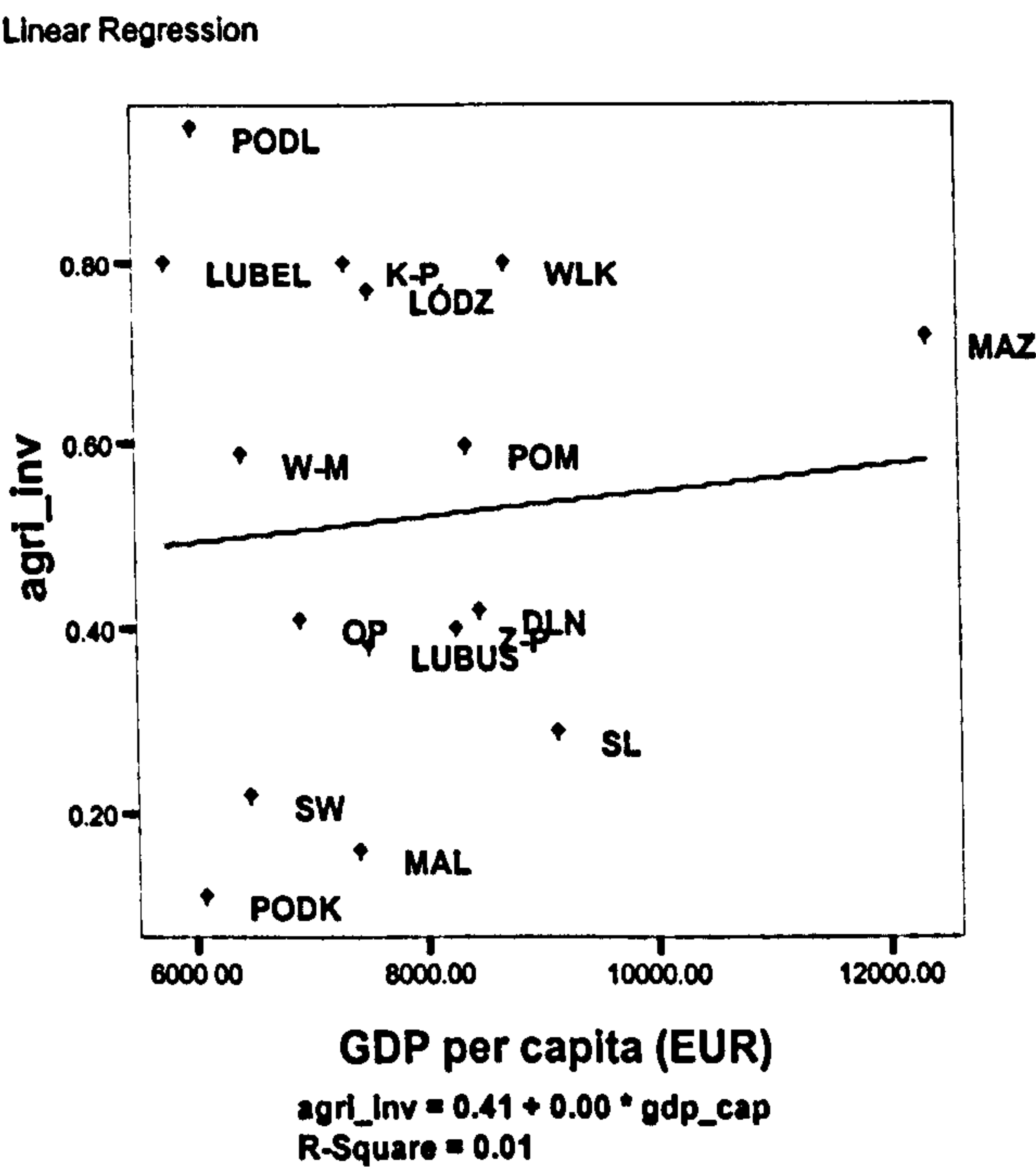
Regional envelope for agricultural investment	
Rural resource and structure index (rural cohesion measure)*	.100
GRP/capita (regional cohesion measure)	.088

*See Table 3.21. in Chapter 3.

Source: own

Figure 5.3. Agricultural investment regional envelope and its linkage to regional cohesion

The regression of agricultural allocation and both GDP per capita and rural resource index is also not significant (R-square = 0.15). Given the allocation mechanism decided for agricultural investment, which pays no attention to equity, it would be surprising if the resulting allocation did conform to cohesion measures. It does not, as shown in Figure 5.3.



Source: own

The regional allocations under SAPARD have been politically agreed with the regions. As such, they can be seen as constituting a valid reference benchmark for regional fairness in rural development policy distribution in Poland. The allocations of two of the territorial measures: rural infrastructure and diversification; are in line with the EU cohesion objectives measured at the regional level. It means that the regional funding allocations

for those two benchmarks tend to be higher for regions with lower GDP per capita and rural resource endowment. However, the relationship is not strong. Poorer regions get relatively higher allocations, but not much higher.

5.4. Regional envelope as an equity modifier – evidence from past policy experience

One function of the SAPARD regional envelopes was as a territorial equity modifier. Section 5.4 is designed to test if, in the absence of territorial modifiers, the distribution of rural development policy in Poland would be uneven, biased towards better-off regions due to their higher absorption potential. The analysis below examines the interregional distribution patterns of past rural development policies in relation to the SAPARD benchmarks⁸⁰.

Data on past national horizontal schemes, administered by the Agency of Restructuring and Modernisation of Agriculture (ARMA), was obtained from the ARMA Analysis Unit in January 2002 via email communication and downloaded from the web (ARMA: 2002). The data is remarkably scarce. A time series of only two years offers very little scope for analysis. In addition, the population is only 16 regions, which again seriously limits regression analysis, typically requiring a minimum of 30 observations. Also, since funding available for national policies in total is very small, comparison of percentage shares can be misleading. However, some general relationships can be tentatively indicated.

5.4.1. Regional distribution of rural infrastructure grants

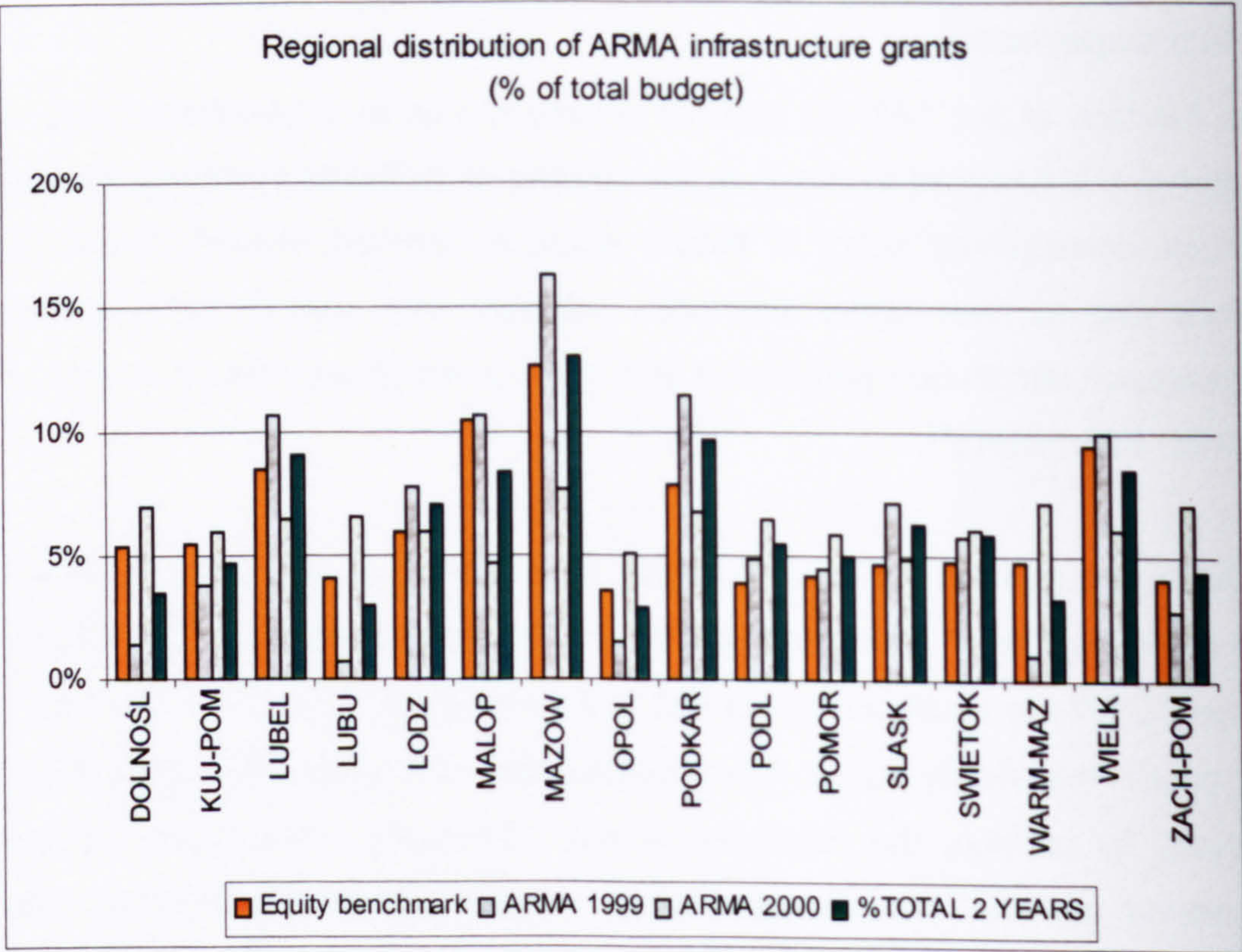
ARMA provides conditional matching grants for projects to develop rural infrastructure such as roads, sewage treatment plants, water and sewage systems⁸¹. Grants were distributed on the first-come-first-served basis by decisions taken in the central ARMA office.

⁸⁰ At the time of writing (late 2002), the data of actual SAPARD absorption across regions was still very limited as the Programme only started in mid-2002.

⁸¹ Grants are provided for communes and association of rural, rural-urban and towns up to 5000 dwellers. The maximum grant per applicant amounts to 300,000 PLN (about 80,000 EUR) and might cover up to 50% of the total eligible costs (for communes with lower tax revenue)

Patterns of regional absorption of infrastructure grants under ARMA central schemes in relation to the SAPARD "fairness" benchmark are shown in Figure 5.4.

Figure 5.4: Regional distribution* of ARMA infrastructure schemes compared to equity benchmark (SAPARD)



*regional share in the total budget
Source: own compilation based on SAEPR (2001) and ARMA (electronic communication)

A basic analysis of the limited data (Table 5.10) indicates a dynamic pattern between years, but an overall close match between the SAPARD benchmark and the total bi-annual share.

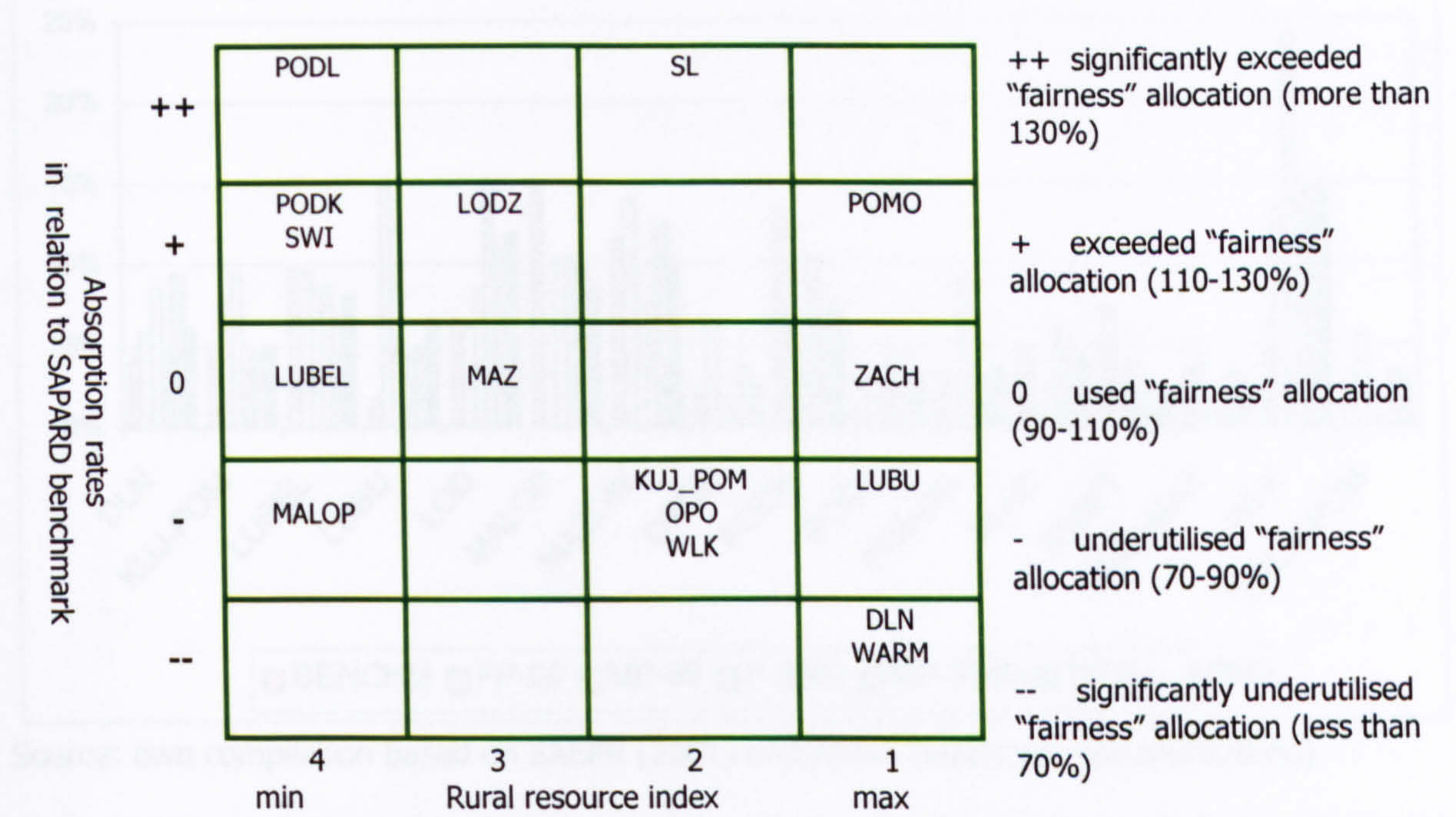
Table 5.10. Regional absorption of rural infrastructure schemes (Pearson correlations)

**Chapter 5: Regional distribution of funding
for structural and rural policies in Poland**

	Regional absorption ARMA 1999	Regional absorption ARMA 2000	Total regional absorption (ARMA 2000+2001)
Regional absorption ARMA 2000	0.03		
SAPARD benchmark	0.88	0.13	0.89

In order to examine whether the absorption patterns favour regions with a higher potential (in relation to the SAPARD benchmark) the following matrix table is used (Figure 5.5) presenting the regional resource index category (horizontal axis, cf. Section 3.7) in relation to the absorption (in comparison with the “fairness” benchmark).

Figure 5.5. Regional absorption patterns of ARMA schemes for rural infrastructure (1999+2000) in relation to regional rural resource category



Source: own

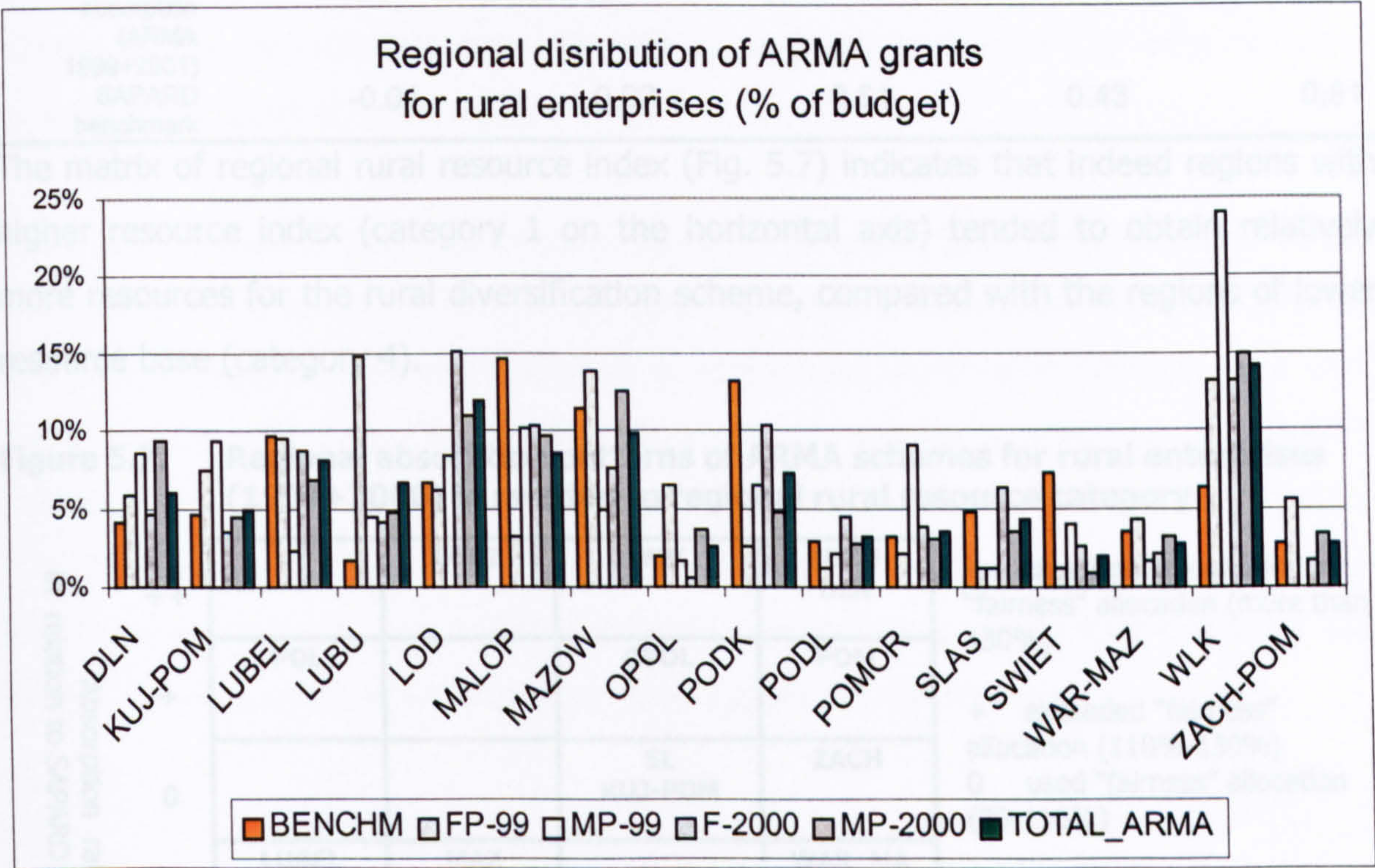
The matrix indicates that there is no evidence to support the hypothesis that in the absence of a regional equity modifier, the funding of horizontal support for rural infrastructure schemes would have been allocated disproportionately in favour of better-off rural regions. On the contrary, regions lagging behind (category 4 of rural resource index), tended to fare relatively better (+) compared with regions of highest rural

resource potential (category 1).

5.4.2 Regional distribution of support for non agricultural business and job creation grants

ARMA operates two schemes (MP and FP) to provide subsidized credit to businesses which create permanent jobs in rural, and rural-municipal communes as well in towns below 20,000⁸². The applicants are required to produce a business plan, and obtain approval from the local advisory center (reporting to ARMA). The final decision is taken by the local bank.

Figure 5.6. Regional shares in total schemes budgets for ARMA diversification schemes as compared to equity benchmark (SAPARD)



Source: own compilation based on SAEPR (2001) and ARMA (electronic communication)

Statistical analysis suggests that the pattern of regional distributions of these schemes is not highly dynamic (Table 5.11), yet with correlation between the total allocation and the individual values.

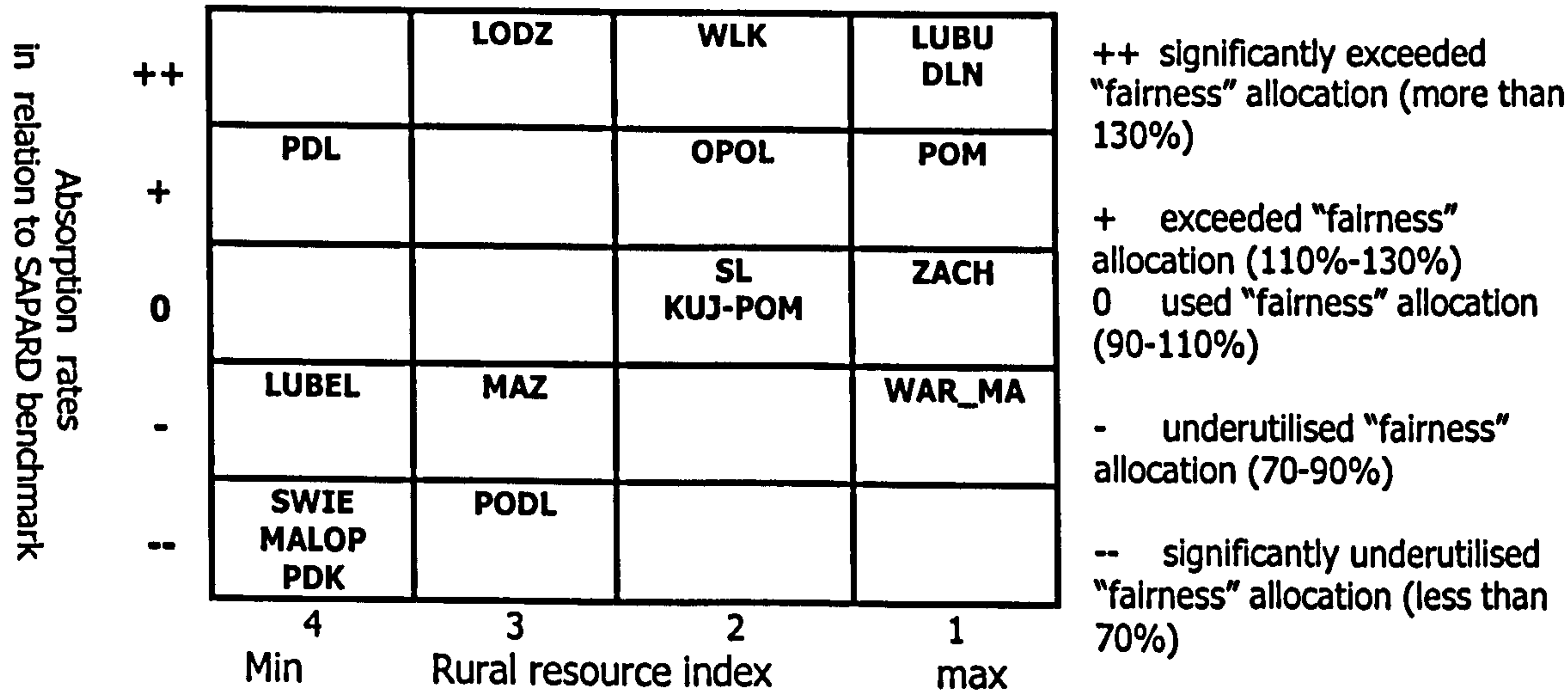
⁸² The maximum amount credit is 25,000 PLN per job creates (circa 6,000 EUR) up to a ceiling of 4 million PLN (circa 1 million EUR). The minimum contribution of the investor is 20% of the total eligible project costs. The interests are variable (in 2002: around 7 per annum) with the maximum re-payment period of 6 years.

**Table 5.11. Regional absorption of ARMA rural diversification schemes
(Pearson correlations)**

	Regional absorption ARMA 1999 FP	Regional absorption ARMA 1999 MP	Regional absorption ARMA 2000 FP	Regional absorption ARMA 2000 MP (ARMA 1999+2001)	Total regional absorption (ARMA 1999+2001)
Regional absorption ARMA 1999-FP	1				
Regional absorption ARMA 1999- MP	0.32	1			
Regional absorption ARMA 2000-FP	0.21	0.58	1		
Regional absorption ARMA 2000-MP	0.60	0.68	0.74	1	
Total regional absorption (ARMA 1999+2001)	0.58	0.70	0.90	0.98	1
SAPARD benchmark	-0.01	0.22	0.61	0.43	0.51

The matrix of regional rural resource index (Fig. 5.7) indicates that indeed regions with higher resource index (category 1 on the horizontal axis) tended to obtain relatively more resources for the rural diversification scheme, compared with the regions of lower resource base (category 4).

**Figure 5.7. Regional absorption patterns of ARMA schemes for rural enterprises
(1999+2000) in relation to regional rural resource category**



Source: own

However, this association needs to be treated with caution. Firstly, the total budget allocated was quite small (cf. Appendix 12). Secondly, the SAPARD benchmark was more spatially selective, favouring weaker regions compared with the benchmark for

rural infrastructure. On the other hand, this might suggest that the utilisation patterns of grants for private beneficiaries are likely to be more spatially selective, compared to grants for public recipients (who receive equalisation grants through the basic state distribution system).

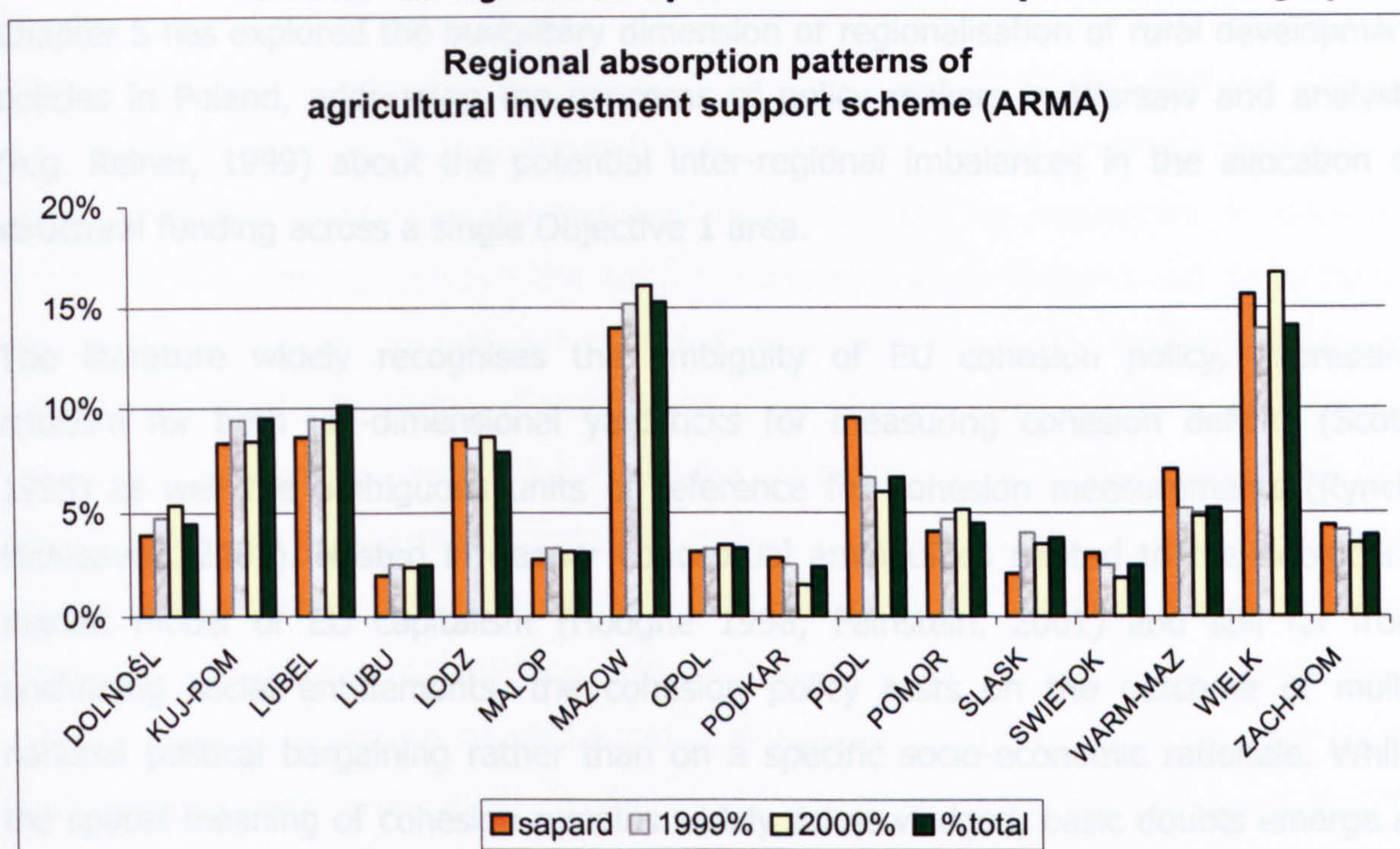
5.4.3. Regional distribution of horizontal schemes to subsidise investment in agriculture and food sector

ARMA operates a scheme for providing subsidies to interest rates on credit for investment projects in agriculture and agri-food processing. The credits are provided from through a network of banks with whom ARMA has contractual agreements⁸³. This scheme is fully central and horizontal with no regional dimension ("O" regionalisation scheme as per scale of Table 1.1.).

Table 5.12 indicates that the relative demand for agricultural investment schemes, assessed and expressed relative to the SAPARD regional envelope, has been precise. Indeed, the regional absorption patterns of agricultural investment schemes were fairly stable, closely matching the SAPARD envelope. In this case, however, the SAPARD envelope itself was designed to encourage uptake and efficiency, rather than to include a substantial equity modifier. In this case, therefore, the strong correlations between the ARMA scheme and the SAPARD envelope simply demonstrate that the latter was effectively designed to reflect the absorption capacity of the regions.

⁸³ The maximum credit available for a project is 4 million PLN (around 1 million EUR), which can amount to a maximum of 80% of the total project cost. Applicants need to produce a business plan, have it approved by an expert from the advisory center and finally the bank. Re-payment period varies from 8 to 15 years with longer periods for young farmer scheme, sectoral programmes and land purchase. Variable interest rates are applied: for example in 2002 the subsidized interest rates applied of between 3% and 7.5% (compared to commercial interest rates of about 17% and the inflation rate of 10%). For the processing industry, the maximum amount of credit is 8 million PLN (around 2 million EUR) not more than 70% of the total project cost.

Figure 5.8. Regional distribution of ARMA agricultural credits and its regional "fairness" as legitimised by SAPARD allocation (% of total budget)



Source: own compilation based on SAEPR (2001) and electronic communication from ARMA

Table 5.12. Regional absorption of agricultural investment schemes (Pearson correlations)

	Regional absorption ARMA 1999	Regional absorption ARMA 2000	Total regional absorption (ARMA 2000+2001)
Regional absorption ARMA 2000	0.98		
SAPARD benchmark	0.95	0.94	0.95

5.5 Conclusions

Chapter 5 has explored the budgetary dimension of regionalisation of rural development policies in Poland, addressing the concerns of policy makers in Warsaw and analysts (e.g. Reiner, 1999) about the potential inter-regional imbalances in the allocation of structural funding across a single Objective 1 area.

The literature widely recognises the ambiguity of EU cohesion policy, expressing criticism for both uni-dimensional yardsticks for measuring cohesion deficits (Scott, 1995) as well the ambiguous units of reference for cohesion measurements (Rynck, McAleavey, 2001). Nested in deeper conceptual ambiguities related to the neo-liberal market model of EU capitalism (Hooghe 1998; Fainstein, 2001) and still far from enshrining social entitlements, the cohesion policy rests on the outcome of multi-national political bargaining rather than on a specific socio-economic rationale. Whilst the spatial meaning of cohesion remains widely acknowledged, basic doubts emerge as to the reference units (Rynck, McAleavey, 2001), even in the Treaty inconsistently mentioned as either regions or Member States. Notwithstanding the apparent EU commitment to some form of cohesion, the structural rural development policy financed from FEOGA is applicable horizontally in all rural areas across the EU with limited targeting on regions (Saraceno, 2002) with the major concerns being sectoral, rather than territorial issues.

On the other hand, spatial fairness, no matter how defined, need not imply vertical social justice (Powell, Boyne, 2001). Indeed, insights from fiscal finance literature (Musgrave and Musgrave, 1965; Oates, 1972; Begg, 1998) and principal agent and rural credit frameworks (Swinnen and Gow, 1999; Baland and Kotwald, 1998), explain the unequal distribution of matching grants and rural credit favouring bigger wealthier beneficiaries. Territorial equity in general is poorly defined both in conceptual and practical terms in modern welfare states (Powell, Boyne, 2001). This is especially true for development policies, which seek facilitate the convergence process (cf. Section 2.4.1.).

The budget regionalisation is frequently simply necessitated by policy deconcentration (cf. Section 1.7.1), as a necessary fiscal management tool for the operation of programmes funded from central sources. In our example of the SAPARD programme, the debate about the “fair” regional budgets was also partly driven by concerns of regionally biased policy distributions and motivated by the avoidance of clientelist practices. The debate between the centre and regions generated a set of politically legitimised criteria for the SAPARD programme, constituting a revealed benchmark for the “fair” financial distribution of programme funds within Poland, at least at the time of the SAPARD programme design. However, the coherence of these benchmarks with both the basic cohesion objectives and with spatial targeting turns out to vary across measures (Section 5.4). The analysis has shown a broad correspondence between infrastructure and diversification envelopes and cohesion objectives: regions with a cohesion deficit (measured as either low GDP per capita, or low rural resource index) tend to have higher per rural capita allocations (Figure 5.1 and Figure 5.2). The benchmark for agricultural investments is not consistent with the cohesion objective: there is a (weak) positive correlation between per capita allocations and the regional GDP (Figure 5.3). In addition, the envelopes show differentiated spatial selectivity: the “flattest” distribution for rural infrastructure (Table 5.3) and the highest spatial distributional disparities for agricultural investment schemes (Table 5.9).

Whether the absence of “fair” regional envelopes tends to favour the better off regions, was examined on the basis of limited data from the past national rural development programmes (Section 5.4). The analysis, though limited due to scarce data, has indicated that the better-off regions tended to do well (relative to the SAPARD benchmark) in rural diversification schemes (Figure 5.8), but quite the contrary in rural infrastructure programmes (Figure 5.5). Uptake of the programmes was however quite changeable across years. The absorption of agricultural investment support closely matched the SAPARD benchmark, which suggests that the latter should perform well in matching funds with demand under this programme.

In summary, it has been shown that the financial implications of rural development

policies need not be in line with the cohesion principles. Indeed, a division between territorial and sectoral policy instruments within the rural development framework (FEOGA) proposed by Saraceno (2002) has been substantiated by the above analysis with territorial measures (rural diversification and infrastructure) potentially enhancing rural regional cohesion, unlike the sectoral instrument of agricultural investments. Whether the “fair” regional budgetary arrangements serve as an effective equity mechanism depends on policy demand. The mechanism is only triggered when the applications exceed the budget available. With slow uptake, complementary measures to boost the number of applications in poorer regions might be required. However, in order to maximise programme uptake, regional envelopes, if used, should be multi-annual, to allow for an apparently inevitable variation in uptake rates between individual years. Even then, territorial “fairness” at a higher level does not necessarily result in equity at lower levels. Intraregional variation of resource base among Polish voivodships might suggest that this is strongly the case. Therefore, for territorial fairness assessments, the typology of ruralities (cf. Section 3.8.) is relevant for evaluation, at least as case studies. Nonetheless, as the regional envelopes for the SAPARD programme have been approved as being fair by the SAPARD National Monitoring Committee, we may take them as a useful and legitimate benchmark of “fairness” against which the actual patterns of horizontal programmes, especially those which are operated on a regional rather than sectoral basis, might be assessed.

Chapter 6

The Regional dimension of Polish EU structural and rural policy processes

6.1. Objectives and outline of chapter 6

Chapter 6 examines the final research proposition, namely that of the feasibility of regionalisation in the EU structural and rural policymaking in Poland⁸⁴. The analysis is carried out from the participant observation perspective (cf. a briefing in Appendix 13), supplemented by a series of semi-structured interviews (cf. Appendix 14) and rests on a grounded theory approach (Glaser, Strauss, 1967) (cf. Section 1.6). Findings from previous chapters are recalled for their relevance as inputs into the policy process.

This chapter is organised as follows. Section 6.2 explores the methodological reservations on empirical data used and the application of an ethnographic approach. In section 6.4 a brief review of theoretical approaches to EU policy making processes is undertaken, concluding with an assessment of their relevance to the participant observation experience. Section 6.5 builds on these considerations to develop a short-term analytical approach. In conclusion, long-term forces of rural policy regionalisation are identified in section 6.6, inspired by an advocacy coalition framework (Sabatier, Jenkins-Smith, 1993).

6.2. Participant experience in Polish EU rural development policy

This chapter reports the core experience of the thesis. The author's motivation to study and analyse the policy process arose from considerable experience in *doing policy*. Although the reverse of a more logical progression from analysis to practice, this experience is probably more typical of actual and real practice of policy development, especially in economies in transition.

⁸⁴ In line with the europeanisation debate, the EU level added to the national policy making patterns tends to change conditions for policy making by extending the policy network beyond the national partners only. Thus, the analysis in this chapter is applicable to the Polish EU rural policy making, does not necessarily translate into the conditions of national rural policy making.

In 1996-1998 I was employed in a translation and liaison capacity for a UK Know-How-Project advising the Polish Ministry of Agriculture on policy development in the EU accession process. In those days, the idea of EU integration was still distantly abstract and of apparently little relevance to reality both to me specifically and to the policy cadres in Warsaw generally. The knowledge of EU languages, yet alone policy perspectives, was vague. I participated in countless debates trying to build and develop mutual understandings both within the Warsaw polity and the EU bureaucracies. Feelings of frustration and suspicion intermingled with a sense of participating in historic developments and excitement of being exposed to totally new perspectives. Since my original interpretation role was by no means confined to linguistics, but more often extended into translating administrative and cultural approaches, experience of tension between the new opening horizons on one hand and the loss of security and suspicions of the new sources of power on the other, were daily experiences for both myself and my Polish colleagues. After all, having grown up in a largely isolated but externally governed society, we Poles knew little about this new world of apparent cooperation coupled with self-determination.

Yet, beginning from initial orientation and fact-finding visits to Brussels, our experiences surprisingly quickly transformed into structured responses both in terms of institutional and organisational procedures and policy documents. In 1996-1998, the project provided extensive support for ministerial working groups for dairy, cereals, beef markets as well as for Structural Funds. Most of this work, from my perspective, began with translating EU directives with a pocket English dictionary and discovering that "EU speech" is simply not included in conventional English dictionaries!

Although the Ministry staff had to perform their daily routine duties, some were keen to develop new expertise on the side. In 1998, I was coordinating the production of the first draft of the National Programme of Preparation of EU Integration, the first concrete plan in Poland for achieving compliance in priority areas of the *acquis*. This was the last occasion on which foreign experts were directly engaged in the preparation of policy

documents. All subsequent documents were prepared by Polish staff.

In 1998 I represented the Polish Ministry at a Brussels conference, at which the SAPARD Programme was first officially announced. The idea was brand new. No appropriate expertise existed. Everybody could, and had to, learn fast. I took it as an opportunity for organising a series of internal follow-up workshops for Ministry staff, in particular its *ad-hoc* working group for structural funds. At the same time, I wrote a more comprehensive background report for the Ministry about institutional, economic and organisational aspects of EU rural development policy-making. At the time of accelerated learning in the organisation, despite my still limited experience, I was then made SAPARD coordinator in the Foundation of Assistance Programmes for Agriculture (FAPA), working in advisory and coordination capacities, supporting the Ministry of Agriculture and Rural Development (MARD).

The launch of SAPARD preparation coincided with the decentralisation reforms in Poland. As Mr. Buzek, the Polish prime minister, promised in his New Year's 1999 speech "to wake up in new Poland", the initial response to decentralisation, fuelled by EC rhetoric of subsidiarity and partnership, was full of excitement. The Ministry initiated communications with the regions soon after they came into being, even before the new regional authorities had telephones installed, still less before they had time to develop organisational practices and strategic responses. Nonetheless, in spring 1999 the SAPARD group, under my coordination, organised a structured consultation process with the aim of discussing regionalisation with the newly formed regional authorities and regional representatives directly. The process was largely designed by myself, involving major meetings in each region to discuss regional priorities.⁸⁵ This decision was judged highly risky: after all, the ministry was then expected *to know* rather than needing to *ask*. What would happen if everybody wanted completely different things? However, the new regional bodies and groups clearly needed to be both consulted and involved. Participation and inclusion are necessarily risky. To our relief, regional responses turned out to be strikingly similar, after the original confusion about *why* the central government felt it necessary to seek regional advice and input. Nevertheless, the weakness of specific regional cultures, identities, and especially homogeneity of

⁸⁵ For detailed discussion see: Chapter 4.

preferences were evident in these seminars. Later, in 1999-2001, I participated in numerous meetings around Poland, in all regions, which confirmed these initial observations.

In autumn 1999, on the basis of Ministry inputs, I drafted the overall Operational SAPARD Programme for Poland. This job was as much about skilful coordination and effective extraction of policy inputs as about skilful rhetoric or logical analysis.

Most of 2000 witnessed negotiations with the European Commission, with usual phenomena of obscurity, inadequate information or simply differences in perspectives. But, having participated in most negotiations sessions, I had a chance to follow and reflect on its dynamics. In September 2000, during a joyful celebration of the Programme adoption by the EC STAR Committee at the dinner in Brussels, hardly anybody could think that the worst was still ahead of us. We were soon to find out as the next 2 years proved that the arrangements in the EU are never final until ultimately signed off. Procedural codes and auditors' procedures are not to be underestimated. Having (unsuccessfully) participated in the design of specific implementation procedures⁸⁶ (for 6 months), this lesson was hard learned. Sometimes, however, more can be learnt from mistakes than from successes. Two years later, as I seek⁸⁷ to draw policy conclusions, the procedural paralysis has only just been relieved.

6.3. Struggle between policy participant and policy researcher

But how can participant⁸⁸ observations such as outlined above be related to academic and theoretical study and research? Relations between policy practice and research are well known for their lukewarm if not an overtly tense nature (e.g. Minogue, 1986). Indeed, Minogue recognises that

"in the policy science (..) we find the field full of alternative, competing constructions of reality. The practitioner shuns theory because the gap between

⁸⁶ Following the approval of the Programme, Brussels has requested the preparation of specific written procedures for its implementation by the SAPARD Agency so as to ensure its transparency. The procedures, subject to approval by the EU auditors, required a major bureaucrat effort, well above anything so far required in the EU. Finally in mid-2002, the total text of procedures of a few thousand pages was approved.

⁸⁷ Last redrafted 10 April 2003.

⁸⁸ With the background in linguistics and business studies, my participation in policy environment was in general not coloured by political science frameworks or concepts.

theory and practice is more self-evident to the practitioner than it is to the theorist" (Minogue 1986: 12)

This is perhaps one reason why surprisingly little participant research focuses on policy studies. On one hand, the value of participation can hardly be questioned. As May (1990: 134) put it:

" Knowledge of the social world does not come from the propositions of logic upon which the theorist then descends upon the world to test. Knowledge comes from experience and the undertaking of detailed and meticulous inquiries through which we generate our understandings".

My location in the policy process was unique compared to a typical research situation in that I had a privileged access to information and policy actions. Strictly speaking, contrary to the usual participant observation: diary keeping exercise with access controlled by a gatekeeper; my role could be likened to the gatekeeper himself. The initial stages of the process were not strictly intended to be for research reasons, hence gaps in the documentation. The moral dilemma - of the extent to which the information (so recent and politically sensitive) should be revealed - has been addressed by sending a draft policy paper for consultation with the main actors, which encountered mixed responses.

The cognitive analysis of participant observation is obviously not neutral to the facts themselves.

"It implies that the orientations of researchers will be shaped by their socio-historical locations, including the values and interests that these locations, confer upon them. This represents a rejection of an idea that social research... is, or can be, insulated from the particular biography of the researcher"

May 1990: 136

If the participant is clearly biased by his/her background, controversies arise to the status and significance of any political theory that might arise from the associated study. Indeed, recent discursive frameworks make strong self-reflexive reservations (Shapiro: 2002). Questions are increasingly raised about whether political sciences can go beyond being "just so" stories, plausible conjectures about the creation and operation of (political) phenomena, driven by method rather than by real problems or experience

(Shapiro: 2002). If political science draws on practice (Grant: 2002), what added value can theoretical insights bring for the practitioner? If the validity of any framework lies in its predictive capacities, political sciences arguably fail the test (Shapiro: 2002). Nevertheless, even if political science cannot offer *the* truth, any analysis of experience needs a coherent set of concepts, underlying assumptions and, perhaps most importantly, questions. It is this coherent set that theory seeks to provide. What does the literature provide which might illuminate the participant observations briefly outlined above?

6.4 Core Western European political theories, and their relevance to Polish EU rural development policy context

Political sciences in Western Europe have generated a prolific body of concepts related to government and policy processes, as well as motifs of actors and power. For an overview in a rural and agricultural policy context see, for example, Cloke, Little, 1990; Liefferink, Lowe, Mol, 1993; Moyer, Josling 1990.

An array of models of government extends from a highly centralized system to an artificial and imaginary neutral actor. At one end of the spectrum lies a rational model of the central, fully-informed and powerful actor/benefactor, who pursues maximum welfare and stability epitomised in the conventional economic cost-benefit approaches. On the opposite end lies a pluralistic framework with government seen as a process, a market place for political consensus between groups' power, access and preferences (Dahl, 1961; Polsby, 1963; Beer, 1965; Richardson and Jordan, 1979; Gilg, 1984). Somewhere along the line of the conceptual continuum lie elitist and managerial concepts. Elitist views (Hunter, 1953; Bottomore, 1966; Ham and Hill, 1984; Saunders, 1981; Buchanan, 1982) rest on the premise that state power is vested in minority elite (power) groups. The particular institutional setting leads to policy outcomes benefiting a particular section of society, represented *via* elites typically associated with resource command. The managerial approach, on the other hand, highlights the role of managers who run systems of policy and implementation (Pollit, 1990a). Professional bureaucrats are depicted as possessing technical expertise, enabling the manipulation of outcomes

of the political process, often to their own ends, rather than necessarily towards collective welfare.

Alongside these fundamental notions of government, a variety of policy analysis frameworks have been developed with different emphases and discursive structures. Here, those most relevant to the Polish experience are best characterised through network and public choice models. Public choice models (Buchanan, Tullock, 1962; Buchanan, Tollison 1984; Dunleavy, 1991; Olson, 1965) explain political reality in terms of vested interests of beneficiaries, interests of politicians who need votes and the interests of bureaucrats who pursue power bases, responsibilities and career opportunities, typically through complex regulations (Downs, 1967; Niskanen, 1971) with typical agency problems of oversupply of public services (Doel and Velthoven, 1993). Lindblom (1959, 1965) proposes a model of partisan mutual adjustment for reaching public decisions (see, also, Moyer, Josling, *op. cit.*). The public choice literature, however, is criticised for ignoring the roles of values, ideas, and paradigms, which are presumed to underlie the actors' self-interests. These factors are encompassed in policy network frameworks (Daugbjerg, 1999; Marsh, Smith, 2000), along with the linkages between formal and informal policy actors and their interests.

Another relevant body of political science literature is developed specifically around EU polity (review: in Lodge, 1993; Wallace, Wallace, 1995). However, this has been inconclusive about how to model or represent the EU itself. Some researchers (e.g. Lindberg and Scheingold, 1971) still view the EU merely as a regional economic integration entity, where the political agenda is restricted to elites and carried out according to given procedural codes. Others, grouped under the label of intergovernmentalism, recognise the political dimension of the EU, yet still maintain that it is crucially the national actors who set the agenda and try to use integration to pursue their own self-interests. Neither of these perspectives accords neatly or comprehensively with the reality experienced in Poland in rural policy contexts. Similarly, the federalist perspective claims that a new supranational organisation with recognisable state features is replacing the nation state, though again with only limited apparent relevance

to the Polish experience. Finally, an interdependence perspective treats the EU as an international organisation charged with coordination under conditions of complexity (Keohane and Nye, 1977). In their view the role of international organisation is threefold: to help agenda setting (thereby influencing domestic priorities), to facilitate coalition formation, and finally, to engage actively in coalition formation, with multiple issue linkages at various levels (Haas, 1980).

Of numerous approaches to studying EU policy processes, two have recently gained popularity: multi-level governance (Hooghe, 1996; Marks, Hooghe, Blank; 1996), and the europeanisation perspective (for a review see: Radaelli, 2000). Hooghe (1996:18) presents the following definition of multi-level governance approach:

“Multilevel governance is defined as no center for accumulated authority. Instead variable combinations of government on multiple layers of authority – European, national and sub-national - form policy networks for collaboration. The relations are characterized by mutual interdependence on each others resources, not competition for scarce resources”.

The Europeanisation perspective denotes a body of research concerned with the impact of the EU accession process on the national patterns of governance (e.g. Grabbe: 2002) with a relevant search for common patterns in organisational adjustment. The europeanisation literature examines, for example, the impact of europeanisation on policy preferences, mobilisation of actors, inspiration for policy alternatives and policy learning.

The relevance of these theories to Polish EU rural development policy context varies. In one sense all are relevant. On the other hand, none is singularly sufficient. In fact, any complex social piece of reality necessarily has more than one theoretical or abstract description (Shapiro: 2002). In the post-communist institutional vacuum, the pluralist perspective still appears most distant from the daily policy making. The participant experience demonstrates that the government has so far been definitely perceived, both internally e.g. by the Ministry, and externally e.g. policy beneficiaries, in terms of a rational choice model, with the key policy actor treated as the benefactor, often assuming complete information and welfare maximisation objectives. However, the

practice brings numerous problems in public administration, well explained in public choice theories. With EU integration, initially carried out by narrow elites, if not mainly bureaucratic circles, managerial concepts seem to be relevant, though desirable models frequently fail in practice. From the point of the applicant states (albeit as yet outsiders), the EU appears as a single, yet highly inconsistent, even capricious organisation. The Europeanisation framework seems promising in generalising the impacts of accession, however it remains to be seen to what extent patterns will persist with the first enlargement to create differentiated membership classes (Meythew, 2002).

Any policy account and analysis requires a framework or storyline. If one assumes that a policy making is a replicable process rather than a one-off event, a systematic approach demands that political behaviour can be represented as a system with inputs or states at time (t) transformed into outputs or new states at time (t+1) through a set of more or less comprehensible transformation processes. Since this characterisation of the policy process is the most general capable of yielding analytical insights, it should be capable of encompassing the relevant elements from alternative characterisations of the process. This eclectic and general framework can be most immediately related to the Josling and Moyer (1990: 17-18) representation. It also has the advantage of being transparent to the non-specialist. This framework has been previously used for explaining the past policy outcomes for EU agricultural process. The framework, augmented by insights from public choice, managerial, policy networks and europeanisation approaches (as outlined in its simplest form in Table 6.1) is used here to shed light on current and short-term future processes, informed by the evidence bases outlined in the previous chapters of this thesis.

Table 6.1: Theoretical model for policy analysis (short-term)
(applicable to Polish EU rural development policy process)

BARGAINING		
POLICY INPUTS	(Trnasformations)	POLICY OUTCOMES
	Rules and procedures	Economic, ideological, institutional and political implications/values
Initial situation: economic and political context	Scope for <i>ad hoc</i> action	
Past policy precedents	Levels and actors (and their dynamics)	Group involvement in policy implementation
Policy networks	Distribution of power related to resource dependencies	(Inclusive) cost and benefit calculation, including contribution to development
Actors, motifs and process of their interests formation	Overall policy benefits on the agenda	
		Winners and losers

Source: Adapted from Josling and Moyer (1990)

The regionalisation or centralisation of rural policies decisions is this seen as part of policy shaping at the lowest, sub-systemic level in a multi-tiered system representing the EU (Petersen, 1995). This framework is now used to analyse the development of rural development programme in Poland, as a "short-term" analysis, in the sense that the analysis is conducted in terms of one single round or phase of this system's operation. A major feature of transition from central planning towards market democracy and accession is the change and development of these processes. The elaboration of this model to represent the transformation process – the development of policy negotiation or bargaining systems themselves, is postponed for the present (see later, below).

6.5 Polish EU structural and rural development policy process: short-term analysis

Preliminaries: timing and change

A problem with policy research is often that it evolves as one researches it, so we begin by clarifying the timing. The short-term analysis is based primarily on participant observation, informed by secondary research and supplemented by a series of semi-structured interviews carried out in Warsaw and Szczecin in January 2002, and in Brussels in May 2002, updated in January and March 2003 (Appendix 14). A personal

knowledge of some interviewees assisted the process. This has been an advantage, especially in the Polish context, where there is little culture of transparency, particularly at the central level. At the central and EU levels, personal knowledge of interviewees appears less crucial. However, a close involvement in the process made it more difficult to achieve a distance from the particulars to see the general. Nonetheless, efforts are made to omit fine changeable policy details, and to concentrate on identifying and demonstrating a general process.

The process of preparing FEOGA-Guidance started in 2001, but accelerated after January 2002, when the Commission officially announced a proposal for an accession package. In summer 2002, a draft FEOGA-Guidance programme was produced and published on internet (yet with no budget). National development programming documents have been available in draft form since summer 2002 (MARD: 2002; ME: 2002a; ME: 2002b). Following the Copenhagen Council, the preparatory works have been boosted again with a view of agreeing the programme in 2003. This analysis is valid as per March 2003, with only preliminary policy outputs agreed so far.

Key questions

The key questions for short-term analysis are as follows:

- 1) What were the key policy actors, motifs and power in shaping the policy agenda and do they relate to policy regionalisation?
- 2) What are the key mechanisms of the policy process (rules, procedures, scope for ad-hoc actions) and how do they impact on the feasibility of and desirability for policy regionalisation?

The short-term analysis covers the first programming period of 2004-2006.

6.5.1 Policy inputs

Economic context

Poland is expected to join the EU in mid 2004, some eight years after the application and following six years negotiation and adjustment process. The reports of economic impacts of accession are mixed, with expected new opportunities arising through the

Single Market, a rise in foreign investment and structural improvements, but also additional competitive pressures and adjustment costs. Serious short- and medium-term problems are expected in agriculture, with probably rising unemployment levels before improvements kick in (Economist Corporate Network, 2002; Arnaud, Zaborowska, 2002). Without border controls, Poland's basic food industries, especially milk and meat, will face enormous competitive pressures from supposedly more efficient and subsidised EU producers (SAEPR, 2000; SAEPR, 2001; Majewski, Dalton, 2001), so the sector needs to improve its efficiency to capture the benefits of free trade (Gwozdz, 2002). With already high unemployment levels (at 18% in 2002) and slower economic growth (1% in 2001), economic and budgetary uncertainties arise, especially for the early days of EU membership.

The economic situation is geographically differentiated. There are spatial differences in levels of development between rural and urban areas as well as between Western and Eastern parts of Poland, in addition to intra-regional differentiation (cf. Chapter 3), with the core gaps between rural and urban zones and between differing ruralities.

Econometric models show (Orlowski; 2000) that the distribution of benefits and losses from EU accession are likely to be territorially unequal in favour of western, more affluent Polish regions, potentially benefiting more from unrestricted trade due to locational advantages (better spatial capital).

Political context

The political commitment to accession, demonstrated by the current Polish government of Mr. Miller, remains high. After the stale-mate of 2000, the government made considerable progress towards accession, reaching a climax at the end of the negotiations at the Copenhagen summit.

The present Polish government, headed by Polish Social-Democratic Party (SLD) in power since 2001, stayed in a sensitive coalition with the Polish Peasant Party (PSL) for two years, both traditionally associated with the centralist sympathies (Ostoja-

Ostaszewska, 2002). After the dissolution of the coalition in March 2003, the minority SLD government has been forced to resort to short-term informal coalitions to ensure the necessary support in the Polish Parliament.

The rural sector has been traditionally politically sensitive, giving rise to numerous tensions at the accession negotiation table, not least between the coalition partners. Despite loud concerns about the “sacrifice” of rural sector for the sake of accession, voiced by the main rural political parties (Self-Defence and Polish Peasant Party (PSL) threatening to withdraw their support for accession (Bielecki, 08-10-02), the Peasant Party (PSL) acknowledged the Copenhagen bargain as beneficial to the farmers (Szot, 16-12-2002)⁸⁹, though continued to challenge the government to win more support for the agricultural lobby.

The EU proposals for the candidate countries, though perceived as unfair by some (Meythew, 2002; SAEPR: 2002) nonetheless appear broadly satisfactory to most Poles, as the recent opinion polls indicate significant support for accession.

Past policy precedents, their relevance and regional dimension

The preparation and implementation of structural rural development policies for accession is heavily coloured by past policy precedents, namely: the centralised EU pre-accession SAPARD programme (MARD: 2000); less strongly, the largely decentralised Rural Development Programme, financed by a World Bank loan (JKP: 2000).

There is already evidence of a clear path-dependency between SAPARD and the new structural and rural development programmes. A high level of centralisation of SAPARD programme (MARD: 2000) colours the preparation of FEOGA-Guidance programme for a few reasons. First, the programming procedures are similar and coordinated by the same staff⁹⁰. Secondly, the centralised implementation patterns have created a strong

⁸⁹ For details of accession package, see Section 1.3.

⁹⁰ Namely by the Department of Pre-Accession and Structural Funds, Ministry of Agriculture and Rural Development. The Deputy Director responsible for programming, and Head of Programming Unit for FEOGA, both carried out SAPARD Programming. Department Director was involved in the final stages. Although four member of staff dealing with SAPARD programming left (for ARMA), the SAPARD experience is still retained

basis for bureaucratic powers, namely the development of a large centralist agency for both payment and implementation (Agency for the Modernisation and Restructuring of Agriculture – ARMA). In line with the public choice theories (Niskanen, 1971), ARMA has demonstrated its desire to maintain the bureaucratic power base and expertise, and even, more an inherent bias for expansion (Trusewicz, Wildenstein, 10-08-02). As pointed out elsewhere (Lisztwan, Harvey: 2001), the creation of the agency, demanded by Brussels, went against trends for decentralisation of Polish public finance⁹¹. One can argue that, given the resources used to accredit ARMA as a payment agency as well as its political expediency, both Brussels and Warsaw need to ensure its utilisation beyond the SAPARD programme, despite differences in legal and financial procedures.⁹² Although, from a purely legal point of view, ARMA can delegate, and has⁹³ delegated some duties to external institutions (for example, regional bodies), the experience so far has led to a distrust of extensive coordination with other bodies, which has been judged as very difficult and “not a good idea”, as well recognised in literature on multilevel interorganisational coordination (Rogers, Whetten, 1982). However, the idea of delegation of functions by the central agency, possibly to the regional bodies, appears to indicate a line of reporting where the centre assumes the upper position in the hierarchy. Such an approach springs directly from EU legislation and seems very likely to lead to tensions between the central and regional authorities.

Conversely, the World Bank Rural Development Programme (RDP) has a stronger, yet neglected, regionalised set-up, with a mix of central involvement for coordination, audit, monitoring and payments and implementation by regional administrations. Though

in the Department. Supporting experts (e.g. from Foundation of Assistance of Programmes for Agriculture) are again involved.

⁹¹ The distribution of funding to local authorities via central agencies are expected to be reduced in favour of decentralization of public finance and distribution of funding via regional structures (see: Law of Public Finance)

⁹² The SAPARD implementation follows strict rules of financial management of FEOGA Guarantee. Upon accession, Poland, as an Objective 1 region, will avail from rural development programmes (except the Accompanying measures and Less Favoured Areas payments) financed from much less stringent FEOGA-Guidance.

⁹³ A legal procedure has been open for delegating some functions from the Payment Agency to other bodies: notably in SAPARD some selected implementation functions have been delegated to national advisory centers and Foundation of Assistance Programmes for Agriculture (FAPA). Delegated functions are supervised by the Payment Agency. Please also note that it is not the Ministry of Agriculture (Managing Authority) to formally appoint the delegated bodies. Indeed, this EU legal construction creates a situation where an central administrative agency (not even a line ministry) is seen to be in charge of delegating and supervision of selected regional bodies.

potentially a model for the structural programmes, the programme seems to be surprisingly ignored by both the Ministry of Agriculture and ARMA staff alike. Perhaps the reason is simply lack of local legitimacy, since as a Ministry negotiator confessed:

“The World Bank worked on their own initiative (with little governmental support). This was solely Bank’s idea.”

Indeed, as the World Bank representative openly admits himself:

“There was strong resistance (by the Polish government). It was a painful process of giving up some competences.”

Indeed, the linkages between the RDP operations and the Ministry⁹⁴ seem to be weak, as if the Bank created partnerships with regional authorities, by-passing the state. However, interestingly, and in contrast to the ARMA experience, the cooperation between the centre and regional institutions is seen positively by the centre and the regions alike, yet seems completely ignored by the Ministry.

Core policy networks

In general, two informal networks of actors can be differentiated for centralised and regionalised policy formulation, with some network members also playing the role of policy arbiters (double roles). The core members of the centralised network include the Agriculture Directorate (EU Commission) and the Polish Ministry of Agriculture and Rural Development (MARD), linked with the centralist agencies (especially ARMA and FAPA) and farming lobby, whilst the main membership of the loose regionalist network includes the Regional Development Directorate of the EU (DG REGIO, DGXVI) and the Polish Ministry of Economy, linked with the regional authorities.

Centralist network: actors, motifs and key interests

The core member of the centralist network is the **Agriculture Directorate (DGVI)** of the European Commission. The European Commission, characterised by dynamic and complex interests, is seen in different hats at different negotiation tables, sometimes an initiator, sometimes a mediator or bargain partner (Lifferink, Lowe, Mol, 1993: 110), reflecting a confusing threefold function. With its triple function, the Commission holds

⁹⁴ As the Ministry of Agriculture has effectively no power in supervising the loan operations, they are not willing to do so. No bureaucratic or political actors appear to supervise structures they have no power over.

the ultimate edge in the bargaining process: it presents the programme for the acceptance of the member states, but more importantly has the authority to issue (or withdraw) payments, and to make the story even more complicated, retains ultimate financial control, where the key decisions are taken by a separate and distinct group of auditors and financial controllers.

As a policy arbiter, the Commission is alleged to promote the "Community" views (as opposed to the national perspective) (Wallace & Wallace, 1995), and seek consensus while minimizing risk. In doing so, the Commission remains relatively open about its goals and main concerns of accountability, control and alleged "simplicity". Indeed, as a Commission official put it in his keynote speech in Warsaw in October 1998:

"We are primarily the guardians of EU tax-payers money. We need to ensure accountability."

Such an approach, however, is not neutral to the regionalisation question. It implies, *de facto*, if not *de jure*, a reduction in the number of aid instruments, and, for reasons of convenience, a strong preference for a single national authority, rather than a collection of dispersed representations (e.g. regions). This tendency reflects a major public choice hypothesis (Downs, 1967): that the bureaucratic structure seeks to retain the highest possible discretion in programme management - which seems to be confirmed in the Polish experience. Any efforts to supervise the Commission (e.g. by the European Parliament or the Council) are by no means whole-heartedly welcome, though necessarily if reluctantly accepted by the Commission. However, as a policy arbiter, the Commission does not appear to exhibit direct interest in specific programme content as long as it complies with the *acquis*. Nevertheless, the tensions between the territorial approach of the **Regional Development Directorate** (DGXVI) and more sectoral focus of DGVI are well known (Saraceno, 2002; Depoele, 2000; Bryden 2000), and their affinities can be categorised as a fluid network membership, the term and the phenomenon itself alike, highly confusing to Polish regions. Political pressures from the Council for subsidiarity and regional participation certainly colour the otherwise highly centrist DGVI. Hence, although it seems convenient to consider the EU as a single entity, even within the bureaucracy, this unity is a complete fiction.

The main Commission's partner, as both the policy arbiter, and agent attached to the centralized network is the **Ministry of Agriculture and Rural Development (MARD)**, the core negotiator of the rural structural programmes for Poland.

Its powers and interests are a function of assuring internal national support on one hand, and external EU approval on the other. Having experienced major difficulties in getting EU approval, demonstrated acutely by the delay in SAPARD preparation (Bielecki: 30/03/01), the Ministry has few incentives to incur the risks of going beyond existing administrative templates. At least in this stage of transition, MARD is likely to exhibit strong policy inertia born of the risks of assuming control in an uncertain and novel policy environment.

In general, most decisions on technically complicated rural development programming issues tend to arise at the bureaucratic level, rather than at the political level, though the core decisions generating bureaucratic and political rents are taken at the political level. Whenever possible, political agents tend to avoid dealing with external EU agents with structural power. The relationship between the political and bureaucratic levels is governed past practices within a politicized civil service. In line with principal agent theories (Moe, 1984), the asymmetries between bureaucrats and politicians are visible, with politicians resorting to personal networks for higher trust and leverage. The Ministry (at both the political and bureaucratic levels) is apparently petrified by public mistrust, illustrated, for instance, by the Parliamentary motion to introduce a ban on Polish negotiators from accepting future employment in EU institutions, motivated by an apparent conflict of interest (EURO PAP: 26/09/02).

The Ministry's attitude to policy consultations remains mixed. On one hand, managerial assumptions of completeness of information and central decision-making capacities, which permeate the Ministerial discourse, make participation and involvement, advocated elsewhere as good governance practice (CEC: 2002), simply redundant. Consultation is resource intensive, especially in terms of management capacity. With

under-resourced departments and weak incentives for experienced or highly qualified staff, the Ministry often resorts to think-tank experts (especially from the Economic Analysis Unit (SAEPR), who possess high technical expertise but little competence and power for coordinating activities. In fact, the number of bureaucrats trained in the prestigious modern Polish public administration school (KSAP) in the Ministry of Agriculture is small compared with other ministries.

On the other hand, at least at the ideological level, the Ministry demonstrates considerable sentiments towards regional governance and decentralization, presented as a discourse of modern, more progressive models of policy making, and at least a rhetoric in favour of "EU level", "progressive and modern", "European" solutions. For these reasons, especially amongst more progressive Ministry bureaucrats, opinions are convinced that 'the regions should be given some training field', despite recognition of coordination difficulties, highly complex procedures and associated time and resource pressures.

Despite ideological affiliations to regional structures and consultations, the Ministry is primarily linked with the central agencies, especially ARMA and FAPA. In political terms, regionalisation means simply giving up some power (at least posts and managerial responsibilities) to the opposition parties: regional elections typically bring party establishments and coalitions⁹⁵ not reflecting the central government. A special division for dealing with regions, situated within the Department for Pre-Accession Assistance and Structural Funds, has been recently dismantled (1999).

The second key national actor in the centralization network is Agency of Restructuring and Modernisation of Agriculture (**ARMA**), featuring strong agency biases and technocratic procedural thinking, set in a politicised and highly hierarchical environment.

⁹⁵ The regional election in November 2002, brought the following results: leftist coalition of SDL-UP (Socialdemocrats and Labour Union) won 189 mandates (33%), Self-defence peasant party received 101 mandates (18%), the right party of League of Polish Families obtained 92 mandates (16%). The conservative liberal parties of Civil Platform and Law and Justice got 94 mandates and Polish Peasant Party (PSL) got 58 representatives elected. The results, interpreted as disappointment to the winning coalition, indicated high fragmentation of Polish political scene, as only in one region (Lubuskie) the winning party had a majority. (Rzeczpospolita, 8 November 2002).

As predicted by the public choice approach (see Dunleavy: 1991; Downes, 1967) ARMA has demonstrated that it pursues its organizational interest by maximizing budget allocation, and ensuring highest possible discretion in programme implementation. Following the new logic of organization theories (see Moe: 1987), ARMA is also keen to assure a maximum potential budget on the operational costs, albeit only justifiable by a multiplicity of roles.

Importantly, ARMA is a central, heavily politicised hierarchical agency with regional staff selected and appointed by Warsaw in accordance with a party membership key (Trusewicz, Wildenstein: 13/08/02), which leads to strong conflicts, both at the regional level as well as with Brussels. Operating on the basis of central politics and procedures, the regional ARMA offices have been mostly disconnected from the regional and local networks. Similarly, hardly any feedback is sent from the regional offices back to the central management.

However, after the frantic fight for new EU-related functions in 1998-2001, ARMA has moved in its life cycle (Downs: 1967) with slight shifts in interests. Already barely capable of fulfilling the assigned functions (as has been demonstrated by a recent scandal with IACS implementation and the lengthy accreditation process for the SAPARD programme) the Agency no longer concentrates on winning new roles. This shift in approach in the agency cycle opens up a limited room for potential access for other, notably regional partners.

At the bureaucratic level, ARMA's approach can be characterised as strongly procedural and highly technocratic. Any policy proposals are automatically mentally transformed into procedures, or rejected if unsuitable for audit, monitoring or control functions. A basic truth has been learnt: to please Brussels (characterized by ill-defined and moving requirements and power levers) is a demanding and risky job: additional burdens and risks of "chaos" in doing this job need to be well justified. Regionalisation, coordination and heterogeneous standards or demands are certainly perceived as major risks. Yet, some ARMA staff also demonstrate considerable affinity to the idea of decentralisation

and tapping onto local information resources, at least at the rhetorical level.

Associated with the sectoral centralised network is the **farming lobby**. It did not take a significant part in the SAPARD programming, not least because of their lack of preparation for the early stages of policy development (Lisztwan, Harvey: 2001). The farming lobby is well represented in the Parliament by the Peasant Party (PSL), the Self-defense (Samoobrona) party, and the League of Polish Families (LRP). The lobby operates at the central, and increasingly at the Brussels level, rather than at the regional level, as regional competencies in agriculture are rather limited⁹⁶. Contrary to intuitive predictions, the farming lobby has not progressed much with their policy learning: their input into the programme technicalities remains insignificant.

Regionalisation network: actors, motifs and key interests

The centre of the regionalised network lies in the **Ministry of Economy (ME)**. The Ministry has established a strong network of contacts with the regional level, developed through past policy experience in dealing with both Polish and EU regional policies. However, its involvement in FEOGA-Guidance programmes is limited, largely for reasons of perceived agricultural and rural “specificity” and because of perceived MARD competences.

ME’s counterpart in the Commission is the Regional Directorate (**DG REGIO**, DGXVI). DG REGIO has a primary concern with the resources needed for the implementation of the EU’s structural funds, for which they believe regional structures are of paramount importance. Polish Regions have not yet established any working contacts with DG REGIO, except for information and training channels. However, similarly to the ME in Poland, DG REGIO perceives FEOGA-Guidance programmes as a distinct prerogative of DG AGRI.

Last, but not least are the **regions** themselves, the most numerous members of regionalisation network. Past policy experience revealed a relatively weak power base for the Polish regions in shaping agricultural and rural development policies (for details

see: Lisztwan and Harvey: 2001). This can be explained by their lack of resources, lack of clear ideological distinctiveness and poor solidarity and group identities and loyalties (Dunleavy 1990). As demonstrated in Chapter 4, bottom-up regionalism for rural development remains still relatively weak, strategies lack selectivity, and policy preferences exhibit both regional homogeneity and also inconsistency. Their legitimacy remains problematic (cf. Section 4.5.). As a regional bureaucrat admitted: "sometimes people do not believe us and we need to show clearly that this is Warsaw's rule, not ours". Obviously this is likely to be the case for uncomfortable decisions for which Warsaw can more easily be blamed. Some regional officers openly doubt their ability to ensure accountability and transparency of regional project selection processes under strong political pressures, though others indicate more confidence. Contacts between regions and the centre feature deficits of trust, particularly acute at the regional end (EURO PAP: 22-11-02). Regional politicians, isolated from the negotiation process, are inclined to be skeptical of recommendations received from Brussels. Paradoxically, even if only in rhetoric, more readiness for joint action is expressed at the central level than at the regional level.

The collective representation of regional elected authorities – the Convent of Province Marshalls, established in March 1999 - is weak, as a regional politician explains:

"we still have a lot to learn. All too often we see each other as competitors for scarce resources or "favours" of central befriended politicians" (as the Polish term *"zalatwianie spraw"* can be loosely translated)

A relative weakness of territorial lobbies is well explained in reference to more general patterns of group power (Dunleavy, 1991), due to poor rates of mobilization, non-excludability of benefits, and preference intensities (in contrast to vested interests of agricultural lobby). As provided for by the public choice theories, the newly established regional authorities⁹⁷ are still seeking specific functions (Greer, 2002), and more

⁹⁷ In January 1999 Poland implemented a decentralization reform. A new administrative division of the country was installed with the arrival of 16 new administrative regions (voivodships) headed by elected authorities of the Marshals. Regional authorities were charged with the responsibilities for regional development.

importantly, budgets to legitimize their existence. However, at the moment their functions are legally imprecisely defined and budgets are too small for cofinancing (cf. Section 1.7.), despite the rhetoric encouraging their development from both the national government and at least a part of the European Commission. It is also important to note that the intensity of regions' desire for participation varies across regions. In some regions, likely to due to a lack of historic democratic traditions, a dependency culture persists, manifesting as a yearning for ready-made top-down solutions rather than for empowerment and decision-making prerogatives. Zachodniopomorskie admits they would be happy to get central instruction from Warsaw and follow. Malopolskie and Wielkopolskie, on the other hand, wish to lead.

Interestingly, the Polish regions have opened flagship offices in Brussels. However, they do not seem to attempt to lobby the national or EU administration for participation in rural development programming. Polish regions are quickly developing linkages that bypass the state: horizontal linkages with EU regions are often stronger than vertical linkages with the Ministry of Agriculture and Rural Development. This ad-hoc networking effort has been encouraged, *inter alia*, by the PHARE programme provision of twinning Pre-Accession Advisors. Civil servants from regional administrations in the Member States, charged with the provision of support in regions in their adjustment to the EU models, profess their country specific models, which can often be confused with EU universal truths in Poland. Indeed inconsistency of advice as to the standards required and of recommended or acceptable procedures underlines the whole accession process (Grabbe: 2002), but weakens the regional inputs into the Polish EU policy processes.

In addition, regional authorities have very close networking linkages with local authorities (also Section 4.5.2.), yet conflicts or, at best competition, between the regional authorities (Marshals) and the representatives of the central state (voivods) are frequent.

Peripheral network members

Peripheral to core networks are the **individual EU member states**. Only seldom do

they question programming proposals as long as they do not undermine their own sectoral interests, more likely for sectoral than territorial measures. It follows that the member states do not directly reveal any preference for regionalisation outcomes either, except perhaps in cases of regional alliances initiated by PHARE twinning mechanisms.

Finally, the **Polish Ministry of Finance** remains relatively neutral in the policy process, being largely preoccupied with the discipline of public expenditure and budget sustainability, typically by means of avoiding financial risks and cutting the costs of programme administration.

On the basis of this discussion, the core policy inputs are summarised in Table 6.2 below. In short, few of these policy inputs signal any strong expectation of a major regional or decentralized policy system in the short-term. On this basis, we should not expect that any distinct regional structures would emerge from the short-term policy process.

Table 6.2. Policy inputs and their influence of regionalisation of Polish EU rural development policy (short-term perspective, summary)

Policy input	Expected force towards (+)/against (-) regionalisation / (0) neutral
1. Initial situation	
<i>Economic:</i>	
• Expected pressures for competition at Single Market	(-) Concerns about horizontal sectoral adjustment
• Spatial differentiation of resources	(-) Core inequality between rural/urban areas
<i>Political:</i>	
Leftist government	(-) Leftist coalition in Poland traditionally lukewarm towards decentralisation
2. Past policy precedents	
• Centralised SAPARD	(-) strong centralist lock-in in programming and implementation (especially for the power basis - ARMA)
• Decentralised Rural Development Programme	(+/0) largely ignored because of questionable local legitimacy of external granting body (the World Bank)

3. Policy actors*Centralist network*

- DG AGRI
 - MARD
 - ARMA
- (-) strong cohesion of the network
(-) sectoral concerns of compliance and transparency
(-/0) risk avoidance, upholding power basis, sectoral and centralist approach (but also:
(+) sentiments to regions as europeanisation & democratisation)
(-) upholding current basis (but:
(+) indications of sentiments to regions on "extra knowledge" basis)

Regional network

- DG REGIO
 - ME
 - Regions
- (-) loose coupling (especially for rural development)
(-) weak interest in rural policies (as exclusive policy delineation)
(-) weak motivation to participate
(-) weak internal legitimacy, mistrust, patriarchal traditions
-

Source: own analysis

6.5.2. Policy bargaining**Rule and procedures**

Rural development programming in Poland can be divided into the following stages

- preparation of the National Development Plan⁹⁸;
- preparation of the sectoral/regional operational programmes and their approval nationally and by the EU;
- preparation and approval of complementary programmes and Implementation procedures.

The National Development Plan, which constitutes the basis for all Community Intervention under the Structural Funds including FEOGA-Guidance, is coordinated by the Ministry of Economy (ME:2003b). It was submitted to the European Commission in January 2003. All other horizontal and regional plans need to demonstrate compliance with the National Development Plan. Under this Plan, Poland envisages the implementation of seven operational programmes: Economic Competitiveness; Human Resources; Agricultural and Rural Development; Fisheries and Fish Processing; Integrated Regional Development; Technical Assistance. The plans for FEOGA-Guidance expenditure are included in the Sectoral Operational Plan (SOP) prepared by MARD and

⁹⁸ The National Development Plan is the basis for Community Intervention in all member states under Objective 1 status. The Plan sets out national priorities for intervention for all the Structural Funds, including FEOGA. The Plan lists operational programmes to be prepared for all funds, as well as attributes broad financial breakdowns between horizontal and regional allocations.

in the Integrated Regional Development Plan (IRDP) coordinated by the Ministry of Economy, based on the regional inputs. All plans are subject to approval by the Polish Council of Ministers, presented by the lead Ministry. Each plan requires an elaboration, in a so-called Complementary Plan, subject to the decision and approval by the EU.

Upon national approval, the plans are submitted to Brussels, where the EU Commission ensures their compliance with the *acquis* and addresses concerns of other Member States by negotiating with Poland. The implementing rules for the FEOGA-Guidance section, and also the majority of measures proposed by the Commission for the new member states, do permit more flexibility than FEOGA-Guarantee legislation, and at least in theory allow regionalised implementation. Conditionality on future legislation is yet another risk factor: if, for example, external audit units are compulsory in implementing institutions, regional institutions are unlikely to be able to meet this requirement. Moreover, as informally indicated in Brussels, it cannot be ruled out that the Commission will propose special arrangements for the new member states building on SAPARD Agencies. When satisfactory compliance is achieved, it is expected that the SOP will be submitted to the Council for an opinion. Upon a positive opinion, the Commission issues a programme approval decision. The final stage is preparation and approval of the implementation rules, mostly by the audit authorities in the European Commission.

Bargaining process

The preparation of FEOGA-Guidance programme involves a selection of measures, details of eligibility, and funding allocations as well as decisions on programme implementation and monitoring (cf. Section 1.3.). The bargaining can be characterised by a multiplicity of conflicts, for example over choices of measures (sectoral versus rural), over selection of implementation institutions, as well as tensions between the central-sectoral and regionalised approaches. We concentrate on the latter only, outlining features that have an impact on the regionalisation prospects.

Firstly, the process is not clearly codified and, sometimes, hard to access. Whilst it is

clear who takes the core decisions, the programming takes place in a confined technocratic circle. No *ex-ante* plan is elaborated in the decision-making processes: the core logic is that of partisan adjustment and reliance on past policy experience. The preparation team is in the Department for Pre-Accession Aid and Structural Funds, the same unit that programmed SAPARD, with most of the core staff from that programme retained. Already one can see that the preparatory procedures from SAPARD have been copied in the FEOGA-Guidance programme. For example, the Ministry decided to establish a set of working groups for each measure (albeit mostly central), largely following the SAPARD practice. But due to a lack of clear *ex-ante* procedures, the centralist policy network is opaque and hard to access for outsiders.

Of course, the EU legislation provides for consultation procedures with the regional partners, but no definition is given as to what this consultation actually requires. The consultations may well turn out as yet another conference with a limited follow-up, as indicated in the FEOGA process.

The Ministry bureaucrats perceive the regional demands as largely homogenous and the basic needs as huge. From the centre, the regions volunteer proposals for their own programmes for publicity reasons, yet in practice wait for central decisions. Measures to support technical infrastructure are easier for them to design and absorb, whilst instruments for SME, innovation and human resources are perceived as more difficult to design. To quote a high level official from the Ministry of Agriculture, dealing with regional matters:

“I have an impression that regions expect specific guidelines, if not ready made solutions. Things happen so quickly... Regions would be happy if the programmes were prepared in Warsaw which they could simply adopt and implement.”

Secondly, an apparently linear description of the process should by no means suggest that it is predictable, and thus easy to coordinate. With the unprecedented accession procedures, actors' behaviours are heavily conditioned by unpredictability and incomplete information. For example, the policy stages overlap in time, thus adding to the complexity, in particular in terms of resource planning and information flows, putting

additional demands on coordination. The need to have a programme approved by Brussels puts pressures on coordination capacity on both sides. The EC is already calling for “a simple approach - one programme”, however, as the Polish official put it, it does not preclude 16 sub-programmes amalgamated into and negotiated as one. The fact that the policy transaction takes place between two rather different sets of institutional settings (Poland and EU), (burdened with all consequences of international contracting (Sommers, 2001, Koehane, 1984) such as imprecise contracting and lack of an arbiter in cases of disagreements) brings additional risks and difficulties with ensuring a sensible information flow. Time pressures tend to be significant, which discourage lengthy approval or consultation processes, and generate a further conflict between democratic accountability and programme development (Grabbe: 2002).

The alleged resource dependencies between the regional and central levels for FEOGA-implementation tend to be limited. Regions have very scarce funding provisions for a possible co-funding of EU rural measures (cf. Table 1.2). The Ministry does need not to rely on the regions for implementation either, as ARMA has not developed established and well-connected regional offices. The regional monitoring structures have already been established for the SAPARD programme, through an essentially centrist agency. Accordingly, MARD has weak incentives to cooperate with the regions directly, apart from “localist sentiments” and political rhetoric.

Whilst the programming exercise appears heavily conditional on the centralist SAPARD precedent, there is nonetheless a scope for *ad-hoc* action, especially in the area of coordination with the National Development Plan, and with the Integrated Regional Planning. This is a potential for introducing a regionalised framework, yet the present regionalist network appears unwilling or unable to take advantage of this opportunity. However, as presented in literature, the FEOGA-Guidance policy-making is primarily sectoral and horizontal. It does not encourage regions to participate (Saraceno, 2002). The Ministry of Economy (ME), the key regionalist network member, also demonstrates uneasiness in contributing to rural development matters. Rural development programming, though embedded in the overall national development programming,

tends to be separate for reasons of “specificity”, technical considerations and clear attachment to the MARD competences. As a result, the rural divisions in regional authorities get few if any incentives to participate in FEOGA-Guidance programming either from MARD or ME. Nor are they willing or mostly presently able to take actions themselves.

The regions have failed so far to demonstrate their distinctiveness in regional development strategies to the central level. The strategies are seen as comprehensive and all-inclusive, with a lack of regional focus. With memories of the SAPARD consultation process, which brought homogenous results and raised a lot of “unnecessary expectations” (as admitted by a former deputy Minister for Agriculture (Rzeczpospolita: 30/03/02), caution has led to the decision not to raise yet another public debate. The regional authorities have thus showed little initiative to be involved in the rural development programming. Also, as pointed by a regional politician, substantial lobbying efforts are unlikely in the early stages of policy cycle as the programming effort coincides with regional elections (October 2002).

Another important determinant of policy content is timing. Indeed, the planning period is going to be short (of 3 years rather than a usual 7 years). This encourages calls for “policy simplification”, targeting, and indirectly, for a reduction in the number of measures used (as each measure requires a long preparation time).

Despite those purely bureaucratic and centralistic concerns, the paradigms of “subsidiarity” and europeanisation have encouraged some regionalisation efforts. These are realised through the networks of the Ministry of Economy. Despite a set of Ministerial contacts, the programming has nonetheless remained constructed around one central template (ME: 2002b). Coordination fatigue is only one reason for central steering and direction. The other is the tension between the voivods and marshal offices. The argument of regionalisation as a pre-requisite for Structural funds implementation has clearly lost its meaning as the Commission demonstrated an overtly centralist approach in the pre-accession phase. Whilst the past government (Post-Solidarity

coalition) provided for exclusive prerogatives for the Marshalls in the structural funds in regions, the present post-communist coalition has revoked the voivods participation (ME: 2002). The regional authorities shudder at a thought of being “at the voivod’s mercy” (Rzeczpospolita: 11/12/02), while the government argues that the funds will enforce any necessary cooperation and mobilisation⁹⁹.

Table 6.3 summarises the bargaining factors that can be expected to influence the shape and content of the final structural programme and its possible regional dimensions. Once again, we would be surprised to see much evidence of a clear regional pattern and structure emerging from this bargaining process.

⁹⁹ E. Freuberg, Deputy Minister of Economy in Rzeczpospolita: 11/12/02.

Table 6.3. Features of policy bargaining and their influence on regionalisation (summary)

Bargaining feature	Expected force towards (+)/against (-) regionalisation /(0) neutral
Rules and procedures	(0) Bureaucratic rationality (-) Need for coordination and information flow to feed to Brussels (+/-) Provision for consultations with regional partners but no formal specification how (+/0) Need for coordination with national development plan/regional plans (but not necessarily regionalisation)
Scope for <i>ad hoc</i> action	(?) Yes, still some potential scope for <i>ad hoc</i> action (especially ensuring linkages with regional planning) but this potential access is not being used by regions (-) Path dependency (linkages with SAPARD)
Levels and actors (and their dynamics)	(-) DG AGRI core power and emphasis on control & sectoral rationality (-) MARD risk avoidance (-) Hardly any access of regions to core decision making
Distribution of power related to resource dependencies	(-) Resource constraints (esp. managerial resources, which are scarce in Poland, especially in the regions) (-) Limited co-funding at regional budgets (+) Appreciation of "local knowledge" and regional networks
Overall policy benefits on the agenda	(-) High potential rents (bureaucratic, staff, financial) encouraging bureaucratic monopolies

6.5.3. Provisional policy outputs

As expected, the policy process of FEOGA-Guidance has bred a highly centralised mix of centralized activities, yet with some indication of regionalised arrangements (cf. Table 6.4). Seven out of ten policy measures are implemented by the central agencies (ARMA or FAPA), only three measures involve the regional authorities. Nine out of ten measures are programmed centrally. The allocation of funding between measures is still to be decided at the time of writing.

Instruments from 2nd Pillar of the CAP (financed from FEOGA-Guarantee), such as: early retirements; afforestation; LFA; support to semi-subsistence farms; agri-environmental

measures; producers groups; support to farms on improvements of hygiene standards are all planned on a horizontal (non-regional) basis.

**Table 6.4. Intermediate policy outputs
Regionalisation* of FEOGA Guidance in Poland**

Measure	Degree of regionalisation**	
	Programming	Implementation
Young farmers scheme	0: horizontal	1: regional ARMA
Investment in agricultural holdings	0: horizontal	1: regional ARMA
Training	0: horizontal	0: central FAPA
Support to agricultural extension	0: horizontal	0: central FAPA
Land amalgamation	2: regionally differentiated policy details	5: marshall office
Agricultural water management	0: horizontal	5: marshall office
Village renewal and protection of local heritage	5: regional	5: marshall office
Diversification of rural activities	0: horizontal	2: regional ARMA+committee
Development of infrastructure close to agriculture	0: horizontal	1: regional ARMA
Improvement of processing and marketing of agricultural products	0: horizontal	0: central ARMA

*Based on definition in Table 1.3.

**budgetary regionalisation not yet decided.

Source: based on MARD (2003 a, pp. 15-17) and MARD (2003b)

6.5.4. Conclusions: key short-term determinants for Polish EU rural policy regionalisation

The process of preparation of FEOGA structural policies in Poland takes place on the mezo-level (Petersen: 1995), driven primarily by a technocratic logic. Two broad policy networks, albeit of asymmetrical power, shape the policy process: central and regional.

The centralised network is primarily connected and driven by sectoral (traditional)

agricultural interests and a managerial logic. It is based around the Ministry of Agriculture and Rural Development in Warsaw and DG AGRI, supported by the central Polish agencies (ARMA, FAPA), which are closely associated with the Ministry. The network is highly cohesive with few entrance points for non-members, and is mainly concerned with accountability, timing and spending the funds, as well as maintaining the present basis of power, especially amongst central agencies. Yet, on the cognitive level, some, especially younger network members demonstrate affiliations to policy regionalisation perceived as more “modern”, “legitimate”, and appropriate, which is closer to EU subsidiarity models.

The regional network, focused around the Ministry of Economy and DG REGIO, with a set of regional members, enjoys only limited access to the decision making process in agricultural and rural development. The regional members have so far managed to acquire only limited EU policy capacity: for example they have failed to establish their collective representations or to produce clearly differentiated policy strategies. The regional authorities are additionally weak due to a poor resource base (especially co-funding and managerial capacity), an unwillingness to cooperate with the regional governmental institutions, and an underlying fragile local legitimacy. On the other hand, they have managed to create strong linkages with local communities. The network is motivated more by ideologically positive decentralisation scenarios in line with the “European model” than by concrete political forces and linkages, at least at present.

The recognition that the EU agricultural and rural policies are more regionalised in their discourse than in bureaucratic reality has clearly surprised most members of both networks. Indeed, Poland (depicted in europeanisation framework as a taker rather than a policy setter (Grabbe, 2002)), has been obliged by circumstance to adopt historically shaped, largely centralist EU policy patterns, which have set the primary policy agenda, in spite of their incoherence with the regional ideologies and rhetoric.

The centralist network, fuelled by safeguarding central agency power bases installed in the pre-accession SAPARD policy, is additionally strengthened by perceived links

between compensatory payments and rural development in the accession dialogue. Consequently, rural development funding is viewed as yet another pot of “farmers’ money” and attracts attention from agricultural lobby as a consequence, albeit that the Polish farming lobby is as yet not well established in any formal sense. The bureaucratic logic of audit, control and coordination, has tended so far to petrify the centralist *status quo*.

Yet the policy outcome (at least so far) has provided for some regionalised instruments, largely as a “learning ground for regions”. A slight move towards regionalisation can be explained by a combination of the predominant ‘regionalisation-as-the-European-model’ paradigm (Ostoja-Ostaszewska: 2002) with the increasingly visible resource dependencies in terms of administrative resources, information, strategic capacities and political support at the regional level. This outcome perhaps signals long-term trends towards multi-level governance patterns and greater regionalisation pressures and outcomes in the future?

6.6. Long-term factors affecting regionalisation of Polish EU structural and rural development policies

Although political science has still to develop commonly accepted theoretical frameworks with predictive capacities (Schapiro: 2002), a speculative long-term analysis is now possible, based on policy experience and literature review. We return to the Josling and Moyer framework (1990), and identify the altering policy inputs, and changing bargaining conditions.

On the policy inputs side, the rural development debate (discussed in Chapter 2, especially Section 2.3.2) indicates that, following a predominantly exogenous phase (with transfer of resources to non-agricultural sectors where they bring higher marginal returns), the role of endogenous rural resources increases, as does the demand for more differentiated rural products with higher added-value. More sophisticated rural products and recreational services, often based on natural and cultural capital, use as their unique selling point an underlying image of “village” and “rurality” instead of a

singular farmer, thereby encouraging collective provision and local cooperation. Policy responses to demands for local specificity and collective area-based provision in the EU 15 include for example, the Leader Initiative, though this is still far from mainstream. However, these forces and trends imply that the natural territorial focus is local rather than conventionally or administratively regional. Nevertheless, these trends are currently long-term in Poland. The low purchasing power of Polish consumers, coupled with a low level of economic development, with rural sector merely cushioning the transition, means that medium-term demands for structural funds are most likely to come largely from agricultural restructuring and poverty alleviation, and thus to follow administrative boundaries and conventional bureaucratic channels.

The impact of europeanisation on regions is neither clear nor homogenous (cf. Section 1.5.3). Smyrl (1997) argues that europeanisation represents merely an opportunity, rather than a guarantee for regions involvement in EU policy. Exploitation of the opportunity depends on the political entrepreneurship of regional leaders. Others (notably advocates of a multi-level government framework) argue that resource dependencies, as well as complexity of governance structures, necessitate flatter, denser structures (Scharft, 2000), albeit at a risk of problems in efficient joint decision making. On the other hand, the transition from central government to multi-level governance, witnessed in Western Europe (e.g. in Godwin, Painter, 1996), is likely to be much less obvious in countries with post-communist legacies both amongst the governors and the governed, and also is likely to take time to emerge, since the transition is also clearly associated with the stage of economic development and the place of agriculture within the overall economic structure of society.

On the bargaining side, accession should lead to a reduction in transaction risks, thus encouraging more creative, tailored made templates. In addition, the reform of the rural development policies in the European Union itself is moving slowly towards territorially integrated solutions (Saraceno: 2002), yet without a specific time frame. However, currently created power structures, notably the centralised agencies, are likely to stoutly defend the *status quo*.

To put it in a nutshell, regionalisation of rural development policy does not happen because it is an inherently more efficient or a more “European model” of policy making, nor yet because it is inherently or necessarily more equitable. Policy regionalisation can better be conceptualised as a process: it will happen as it reaches sufficient critical mass in political, economic and cognitive paradigms, and as it becomes better fitted to the economic and social pressures from society. This will take time, just as it has taken time for the present EU to arrive at its current position.

The question of what sort of conceptual framework might be most suitable for analyzing these issues and processes is the subject of the final chapter of this thesis.

Chapter 7

Synthesis, conclusions, policy implications and new questions

7.1. Objectives and outline

This research has been concerned with the regional dimension in Polish EU structural and rural development policies. Two main questions have been addressed:

- What (if any) policy regionalisation is desirable for Polish EU rural development policy?
- How can rural development process and policy be conceptualised, to include regional dimensions?

These two major strands have been explored on the basis of inductively defined, specific research propositions. The thesis originated from a practitioner's experience, adopting a grounded approach (Glaser and Strauss, 1967) with multi-triangulation (Denzin, 1970; Burgess, 1982) as the major research approaches. The analytical effort of this thesis has bred a series of empirical findings and multi-disciplinary theoretical considerations, albeit loosely connected. Now, building upon somewhat disconnected analysis, a single integrated approach to policy analysis to reconcile "academic excellence with policy relevance" (Harvey, 2000; Minogue, 1983) is attempted.

This chapter is structured as follows. Section 7.2 summarises the key empirical findings and their theoretical underpinning presented in the previous chapters. Section 7.3 presents a proposal for a theoretical synthesis, portraying policy-making as complex art with a three dimensional rationality, embedded in and feeding back to the resource endowment pentagon (cf. Figure 2.2). Section 7.4 shows how the new inclusive framework can be applied to rural policy regionalisation in Poland and how the empirical results fit in this unifying framework. Section 7.5 identifies some major general and specific policy implications following from this framework. Finally, Section 7.6 outlines some major new questions raised by this thesis.

7.2. Key findings revisited

Under the EC legislation, Poland has the opportunity to implement rural development programmes at “an appropriate geographical level”. This research has explored the relevance of Polish voivodships as a unit for the development of Polish EU rural development policies (mainly under FEOGA-Guidance instruments). Four potential rationales for policy regionalisation have been examined, with specific reference to current Polish conditions.

Rationale 1: Policy regionalisation due to spatial variation of Polish rural resources between regions in Poland

The analysis has indicated a multi-level spatial variation in Polish development patterns. However, the voivodship, as an administrative unit, does not seem obviously appropriate as a unit to recognize and tackle rural differentiation. Major differences exist at the rural-urban interface. Patterns of homogeneity cover meta-regions, primarily differentiated by population density and farm structures, and secondarily, by business development. Rural regions as represented by the administrative voivodship show a considerable level of internal heterogeneity, and hence seem inappropriate as levels for regionally effective and distinct development policies.

Rationale 2: Policy regionalisation due to regional variation in preferences for rural policy instruments

The analysis finds few clear and coherent regional patterns of preferences for rural policies in Poland¹⁰⁰. Those that are expressed are associated with problematic legitimacy. Key preferences for rural measures (farm investment, infrastructure, diversification) are horizontally or univocally expressed. Regionally heterogeneous preferences (such as for example, village renewal, water management, land improvement) tend to be inconsistent. The regional logic of forming collective preferences for rural policies (as compared with the central logic) appears to be founded on limited legitimacy from specific and somewhat embryonic regional identities, albeit that some of these are based on long-standing historic traditions and experiences. Instead, Polish regions seek participative governance as their main legitimizing strategy (in addition to discourses of europeanisation and provision of democracy). Also, the presentation of internal differentiation of contexts within regions rarely

¹⁰⁰ As revealed via SAPARD regional consultation exercise and regional development strategies

gets translated into any variation of policy preferences at the regional level. Few regions opt for spatial selectivity in policy instruments within their own region.

Rationale 3: Budget regionalisation due to regional funding allocations and relevance to regional cohesion

The analysis concludes there is little evidence for regional budgetary envelopes to function as an effective regional equity modifier in allocating rural development funding. The regional funding allocation, politically defined as “fair” for SAPARD programme (defined internally by Poland), could, however, serve as a useful benchmark for territorial fairness in policy absorption¹⁰¹. Regional funding allocations for territorial measures (infrastructure and rural diversification) are broadly in line with EU cohesion defined at the regional level. Funding for farm investment, however, goes against such regional cohesion benchmarks. Past policy absorption indicates a bias toward better-off regions for rural diversification measures, and towards lagging regions for rural infrastructure (with reference to “fairness” envelopes). The conclusion under this rationale is ambiguous towards the need and desirability of explicit regionalisation.

Rationale 4: Policy regionalisation based on feasibility of regionalisation in EU rural development process

The analysis has demonstrated only limited feasibility of regionalisation of Polish EU rural policies. The policy process, governed primarily by DG AGRI and Ministry of Agriculture, exhibits strong technocratic logic with primary concerns of compliance, audit and coordination, with few entry points for regions (rural divisions). Regions themselves are not actively seeking inputs into (rural) policy. Nonetheless, a looser regionalisation network (of DG REGIO and Ministry of Economy) has an input into the process, encouraging some localist sentiments within the Ministry of Agriculture. There seems to be consistent support for giving regions “some training opportunities”. Yet, the Ministry is likely to support its own basis of power – its own central agencies. The present institutional structure has so far delivered predominantly centralist policy outputs.

¹⁰¹ As revealed by SAPARD discussion on “fair” regional funding envelopes.

In short, there is little evidence under any of the rationales that a regional dimension either will or should emerge as a strong theme in any medium term rural development strategy in Poland.

7.3. Theoretical synthesis: towards an integrated framework for policy analysis

The results of empirical and theoretical examinations obtained so far are only partially satisfactory. They contribute some answers as to whether EU rural policy regionalisation is desirable in Poland on the grounds of the selected propositions, though the answers are often conflicting. However, they fail to provide an inclusive framework for policy regionalisation. As stressed at the start, this thesis did not begin with a prior deductive integrated model, largely due the fact that present scholarship voices dissatisfaction with the present approaches to policy analysis, in particular its relevance to practice (Harvey, 2000; Minogue, 1983; Shapiro, 2002). In short a new synthesis is due.

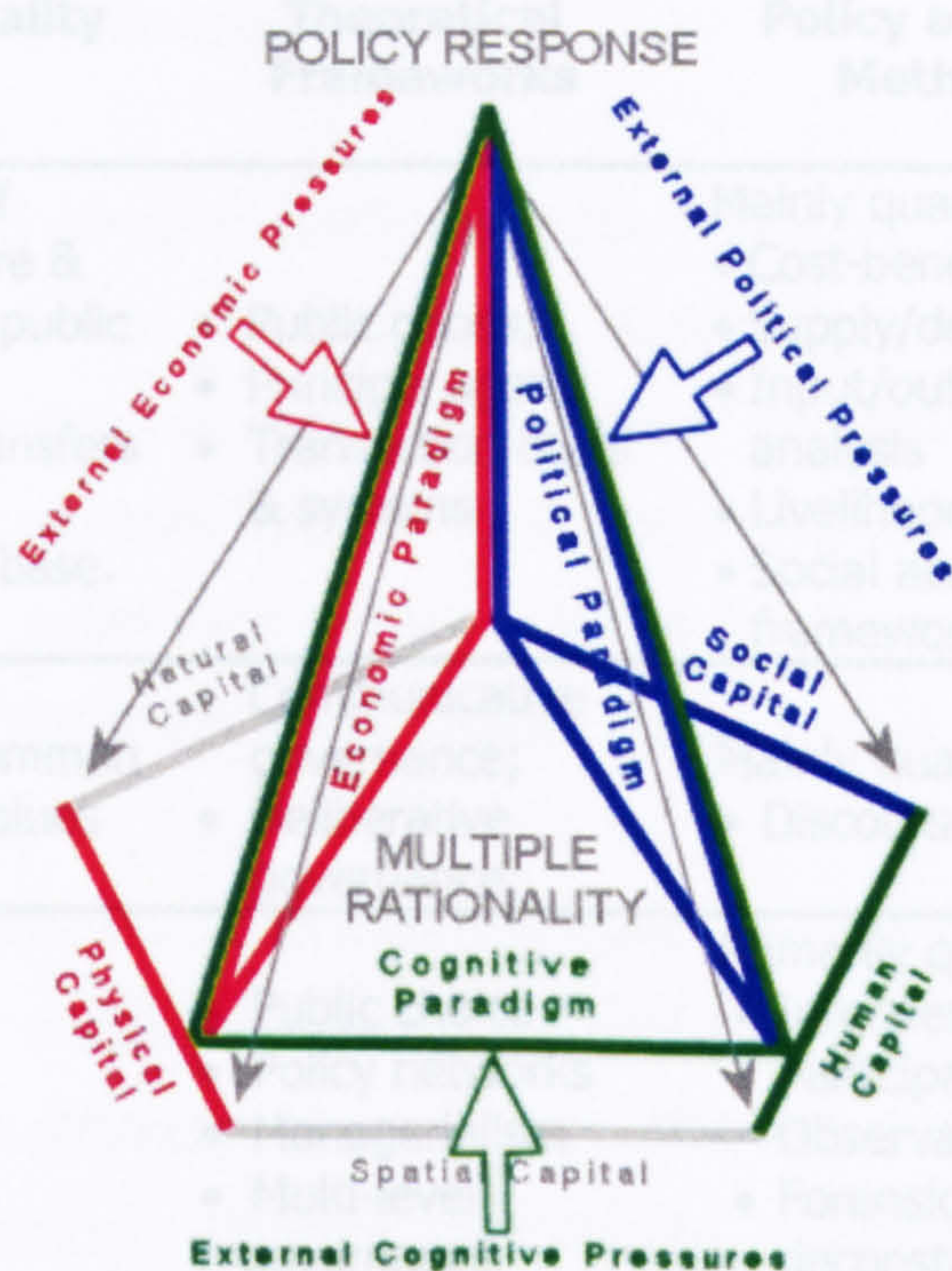
Following the exploration of discursive, political and economic statistical data performed in the previous chapters, a re-construction of such a synthesis is now attempted. Delorme, 1995, for example, insists that the constructed character of reality itself necessitates a similar design as a research or conceptual method, and thus goes beyond the classic post-modern notions of deconstruction¹⁰². Whilst deconstructive tools can be applied to a variety of disciplines, not least for agricultural economics (Midmore, 1995), alternative (re)-constructed policy frameworks still appear incomplete.

A re-constructed framework for rural development policy is proposed, summarized in Figure 7.1 below. In this figure, three predominant conceptual paradigms are identified ((economic, political, cognitive), each with its own characterization of the policy agenda and likely solutions. The outcome of negotiations and consultations conducted through these negotiating planes produce the actual observed policies, which in turn have observable effects on the resource structure and capacity of the target region (represented as the resource pentagon from Figure 2.2 above.) Use of these resources, and of their associated networks and transactions, then delivers outcomes that influence the next round of the policy debate.

¹⁰² A term that, for all practical purposes, was introduced in the literature by Derrida. It means to undermine the conceptual order imposed by a concept that has captivated our imaginations and ways of seeing things.

The emphasis here is on a complex process of policy formulation, implementation, execution and reformulation. Observations of any specific element or facet of this process can only reveal a partial, and thus necessarily biased, insight into the nature of the whole system.

Figure 7.1. An integrated framework for analysis of rural policy and process



Note: gray arrows represent feedback loops

Source: own

The integrated framework rests upon the following propositions:

- Policy-making has a multiple rationality, namely actors perform a multiplicity of actions and roles when setting and implementing policy;
- Policy-making is embedded in, and feeds back to fundamental resource capacities;
- The principal dimensions in which policy is agreed and implemented are economic, political, and cognitive;
- Each dimension of policy-making can be researched, based on the data and techniques associated with it;
- The linkages and interaction between paradigms are as important for understanding complex systems as are the processes and mechanisms within each paradigm;
- Each paradigm is subject to endogenous and exogenous pressures for change;

- Change in each paradigm takes time and effort and is mutually inter-dependent.

The major processes undergoing in each of the three paradigms of policy making are briefly summarised in Table 7.1.

Table 7.1. Integrated framework for analysis of rural policy and process: summary

Policy paradigm	Core Rationality	Key Theoretical Frameworks	Key Policy analysis Methods	Primary policy feedback loop with respect to resource base
Economic	<ul style="list-style-type: none"> • Correction of market failure & provision of public goods; • Resource transfers to improve competitive base. 	<ul style="list-style-type: none"> • Public goods; • Principal agent; • Transaction costs & systems 	Mainly quantitative: <ul style="list-style-type: none"> • Cost-benefit • Supply/demand • Input/output analysis • Livelihoods anal. • Social accounting frameworks 	Changes in: <ul style="list-style-type: none"> • Stocks of all capitals • Relative prices, incentives & penalties • Resource use
Cognitive	Creation of common narratives & values	<ul style="list-style-type: none"> • Communicative governance; • Deliberative governance; 	Mainly qualitative: <ul style="list-style-type: none"> • Discourse analysis 	<ul style="list-style-type: none"> • Impact on social & human capital; • Identity creation & mobilisation
Political	<ul style="list-style-type: none"> • Collective preference formation • Support generation • Resistance reduction • Power network adjustment (min. rent seeking) 	<ul style="list-style-type: none"> • Public choice • Policy networks • Managerialism • Multi-level governance • Pluralism • Elitist models 	Primarily qualitative <ul style="list-style-type: none"> • Interviews • Participant Observation • Forensic deconstruction • Archeological-type reconstruction • Role-playing 	<ul style="list-style-type: none"> • Impact on social capital & institutions • Legitimisation of identities, & economic rewards; • Legitimisation of resource ownerships

Source: own compilation

Of course, as in any complex system, the total is more than the sum of its parts (e.g. Deutsch, 1997; Emery, 1969). For example, the cognitive paradigm can develop a common reference, which either acknowledges or denies economic change (Jessop's "negative coordination"). By the same token, political support can be sustained for policies with little or no economic justification, through legitimising cognitive discourses. Depending on the policy agenda, the paradigms might be mutually compliant, or incoherent.

However, fundamental inconsistencies between paradigms would be expected to generate their own strong forces for change. Fundamental inconsistencies or incompatibilities in a

complex system are likely to generate fault-lines and fragilities in the face of changing circumstances or contexts (which happen all the time). This will tend to lead to change, as adaptation or innovation, which, if successful and therefore capable of survival and replication, lead to better fits in the future. These evolutionary changes necessarily entail the decay or disappearance of some features and characteristics of the previous system, and the emergence of new properties and responses.

Separating the multiple and complex relations within policy processes requires simplification and abstraction (de-construction and reduction), which necessarily destroys the essential integrity and identity of the process under examination. In particular, since the dynamics of the process depend fundamentally on the interaction and reflection of the several parts amongst themselves, the separation of the various relations necessarily denies explicit consideration of the behaviour of the whole system through time.

Ostensibly, attempts to create an integrated framework are not new. In fact, two have been drawn upon in this thesis: advocacy coalition frameworks in political science and regulation theories in regional studies. Although placed in two different disciplines, respectively political and economic, both approaches attempt to cultivate relevance with the complementary dimensions. The difference between those approaches and our proposed methodology is that instead of seeking to clearly de-construct the dimensions first, they proceed immediately to a comprehensive, re-constructed picture, where the divisions between cognitive, political and political events get blurred rather than are explicitly identified in an interactive manner. Secondly, our framework does not remedy the basic drawbacks of present policy analysis, namely the lack of clear and unambiguous causal relationships or clearly normative or predictive capacities (Shapiro, 2002). In addition, as sketched here and examined in the thesis, the framework is depicted as static. Further work (e.g. proposed in Section 7.6) is needed to try to rectify those drawbacks, though it should be noted that complex systems are, by their very nature, incapable of being forecast, since their future states depend critically on both accurate representation of their current states as well as precise articulation of the transformation processes acting to convert these present states into their future condition (independently of any changes in external conditions). Neither of these two

conditions is ever likely to be achieved in practice, while even if the inevitable inaccuracies and imprecisions can be reduced to classical confidence limits, their consequences in a dynamic, far-from-equilibrium interactive and non-linear system cannot be deduced from these starting-condition confidence limits.

Nonetheless, the distinct value of our proposed framework is that it shows how multiple disciplinary approaches can be operationally related. Under each of the dimensions, reductionism is employed for uncovering the principal relationships for academic rigour, yet the practical concerns for realism call for re-construction of multiple rationalities. As a result the proposed framework does not aspire to be a grand theory in a predictive sense. Rather, it seeks to provide a grounded explanation, as a necessary precursor to sensible mind-modeling or intuitive analysis of options and alternative actions, and for forensic deconstruction of past histories and their sensible re-construction, much as archeological re-construction throws light on our ancestors' capacities and innovative capabilities.

7.4. Regionalisation conceptualized under integrated policy analysis framework

In this Section we apply our synthetic new framework to the rural policy regionalisation questions. Table 7.2 shows how policy regionalisation can be depicted in our proposed integrated policy analysis framework.¹⁰³ Table 7.2 presents our empirical findings in the basic structure of the new framework.

¹⁰³ Please note that issues related to the efficiency of policy implementation, transaction costs etc. are missing from the analysis for lack of empirical data.

Table 7.2. Integrated framework for analysis of rural policy and process: applied to regionalisation

Policy making paradigm	Core rationality for rural and structural agricultural policy regionalisation	Core rationality for rural and structural agricultural policy regionalisation	Policy embeddness: constraints with respect to the total resource pentagon	Primary policy feedback loop with respect to total resource pentagon (+ positive; - negative)	External and internal pressures for change
Economic	<ul style="list-style-type: none">• Transfer resources to reduce disparities in welfare by improving economic base;• Pay for merit & public goods (environment, health, education; infrastructure, innovation)• Ease access to financial capital (obstructed by institutional market failure)• Ease transfer of resources out of agriculture as a declining sector)	<ul style="list-style-type: none">+ Provide specific policy mix for specific resource mix / policy demands;+ Provide spatial compensation for less favoured natural conditions and peripherality, to equalize competitive conditions;+ / - Provide territorially set collective measures based on natural or cultural resources and mobilisation of unique endogenous capitals (albeit more appropriate at local scale?);+ Encourage complementarities with regional policies, especially small towns.- Utilise economies of scale;- Encourage horizontal sectoral restructuring- Address major rural/urban resource differentials rather than apparent inter-regional disparities.	<ul style="list-style-type: none">• Financial resources (co-financing),• Human capital (education, entrepreneurship• Spatial capital (opportunities to trade)• Social capital (institutional quality)	<ul style="list-style-type: none">- Change in factor costs+/- Change in stocks of physical, human, environmental, and spatial capital	<ul style="list-style-type: none">• Change in relative factor costs• Relative decline of primary sectors (including agriculture)• Competitive advantage built territorially on uniqueness, international division of labour;• More demand for added value & differentiation, often based on cultural and amenity resources (as economic growth proceeds)
	<ul style="list-style-type: none">• Create common narratives of development process• Create collective identities of "we";• Exercise "deliberative governance"	<ul style="list-style-type: none">+ Satisfy "localist sentiments" and "europeanisation";+ Generate common understandings of and commitments to growth and development processes/mobilisation based on territorial loyalties+ Reveal policy preferences (by spatial logic)+ Establish notions of territorial specificity.- "Deliberation" is resource consuming,- Unlikely to succeed if lack of regional legitimacy (and loyalty);- Undermine a competing rural/urban loyalties- Competes with historical loyalties and perceptions of command of the development processes	<ul style="list-style-type: none">• Key constraint on social capital (regional "institutional thickness", identity)• Constrained by the level of spatial identities (weak legitimacy for regional governance)	<ul style="list-style-type: none">• Impact on social capital (territorial identity and mobilisation)• Impact on human capital (trust and information networks)• Impact on legitimising systems	<ul style="list-style-type: none">• EU discourses of rural development and of regionalism• Aspirations for re-vitalisation of local and national identities• Defensive mobilisation• Desire to break up with central planning traditions (or connotations) – localist sentiments (or, conversely, even unconscious defensive attitudes towards preservation of the <i>status quo</i>)

<ul style="list-style-type: none"> • Ensure political support, especially from farmers; • Ensure bureaucratic compliance with EU and national standards • Exercise power, pursue bureaucratic benefits. 	<ul style="list-style-type: none"> + Provide checks and balances + Improve participation and democratic accountability + Tap into stronger regional - local partnership networks and conflict alleviation; - Little support from key EU actors - EU demands for financial accountability - National central actors linkages with central agencies - Problematic interorganisational coordination; - Farmers interests organised horizontally; - Regions likely to seize control of agenda setting where central state provision fails; 	<ul style="list-style-type: none"> • Constrained by social capital deficits (legitimacy and capacity of regional institutions) 	<ul style="list-style-type: none"> +/- Impact on social capital (trust, information networks) 	<ul style="list-style-type: none"> • Evolution of EU structural policies (from agricultural toward rural); • Democratic deficits and demands for local participation and autonomy; • Transition from government to governance
--	---	---	--	--

Table 7.3. Empirical results: core rationalities and their relative strength regionalisation of Polish EU structural and rural policies

Dimension	Core rationalities for regionalisation of Polish EU structural and rural policies (relative strength)	
	Short-term analysis	Likely long-term forces
Economic	<ul style="list-style-type: none">-/+ Spatially differentiated pattern of rural resources (albeit not by region – more meta-regions and intra-regions);- Utilise economies of scale;- Address major rural/urban resource differentials rather than inter-regional.	<ul style="list-style-type: none">+ Increased importance of non agricultural rural development calling for linkages with urban economies and policies+ Growing importance of environmental, cultural and social goods best provided on area basis (but not necessarily regional)
Cognitive	<ul style="list-style-type: none">+ Localist sentiments (also of central policy makers) for europeanisation and democratisation- Weak territorial identities and loyalties translated into weakly differentiated policy preferences	<ul style="list-style-type: none">+ Development of regionalist discourses and search for uniqueness+ Defensive identities adapted to successful regeneration
Political	<ul style="list-style-type: none">- Central-sectoral nature of EU structural and rural development policies- Ministry of Agriculture linked with central agencies for power basis- Difficulties in inter-institutional cooperation- Weak input of regions into rural policies	<ul style="list-style-type: none">? Reform in EU rural policy+ Transition from government to governance- Path dependency (linkages with past, centralised policy)

As seen in Table 7.3, based on the mobilized empirical data, in the short-term the rationalities for rural policy regionalisation in Poland are generally weak or contrary. The strongest disincentives are located at the political level, especially due to the central sectoral EU policy set-up and the Ministry of Agriculture linkages with the central agency powers. The economic dimension appears slightly less negative: there is a pattern of differentiation at the meta-regional level. But making multiple separate regional rural development plans would mean failing to use the economies of scale, and would also ignore or heavily discount the strong rurality distinctions which exist within present administrative regions. At present, the key positive signals for regionalisation are located at the cognitive levels, where even central bureaucrats exhibit “localist sentiments”.

In the long-term, the rationalities for territorial (and, specifically regional) tier in rural development policies are expected to increase, according to this analysis. The major

transformation, as indicated in regulation theories, is likely to occur in the economic regime. With the relative growth of non-agricultural rural business, often based on endogenous potential that is largely spatial, area-based policy provision is likely to be demanded (albeit not necessarily at the present regional level). The examined debate on regionalisation indicates the slowly rising input of regional governance to the overall governing structures, an indication of a more general trend in the Western democracies shifting from the strictly hierarchical government system to more inclusive governance.

Indeed, the transition from *government* – as the reliance on the exogenous, and hopefully benign dictatorship of central government (exaggerated in this case by the superimposition of the super-state of the EU) – towards a more inclusive and participatory *governance* – necessarily multi-faceted and multi-level, inclusive of stabilizing checks and counter-balances born from social interaction and bottom-up responses, rather than based on *ex cathedra* top-down rules and protocols, is a critical and fundamental element which emerges from this analysis and conceptual approach.

Such a trend in the Polish rural setting still appears embryonic, not least due to patriarchal traditions and expectation of top-down solutions¹⁰⁴, partly an inheritance of the communist tradition (Brussis, 2002). It is also argued that the EU rural development policy should be shifting towards territorialisation (albeit clearly different from regionalisation) and decentralisation (Saraceno, 2002; AgriCultural Convention: 2002) at least in its territorial instruments. This shift is partly necessitated by the decreasing role of the primary agricultural sector and the growth of rural value added based on cultural, social, and environmental capital, best provided collectively on a territorial basis (i.e. explicitly spatial). The reform, however, is unlikely to be rapid, mostly due to the strong interests associated with the *status quo*, and the associated sectoral lobbying efforts coupled with defence of established bureaucratic (conceptual) territories. On the other hand, increased pressures on financial control may narrow down the scope for future reforms, especially if the responsibility for misuse is also not carried down to the operational level.

¹⁰⁴ The desired for top-down solutions does not preclude the existence of bottom-up dissatisfaction and voices, exemplified for example by Samoobrona party (Self-Defence) chaired by Mr. Lepper. However, this activity is seldom translated into specific policy technocratic inputs, which is not surprising, given the analysis here – the conditions are not yet conducive to such developments.

7.5. Policy relevance and recommendations

7.5.1. General policy conclusions

What does this research effort imply for policy making? What, if anything has been learnt and can be incorporated in the debate on and development of Polish rural development and policies?

While clear prescriptive recommendations might be desired, they are unlikely to be implemented, or to be effective as anticipated, even if implemented, since they necessarily lack legitimacy¹⁰⁵, or systematic coherence. Prescriptive solutions frequently suffer from a single-minded and necessarily blinkered perspective, as with the much criticized managerialism (Minogue, 1986). As shown here, it has to be recognized that practical policy-making remains an art of complexity, with multiple rationalities, reflected in interactive economic, political and cognitive paradigms, rather than a science of pure reason. The role of the policy analyst is more to help establish a common understanding of the complex development and policy processes (Harvey, 2000), than to replace political processes in “knowing” what to do (Minogue, 1986). After all, “policy knowledge” is perceived in some literature more in terms of structural power (Strange: 1988) than as an objective phenomenon. Policy knowledge grows from and is cultivated by the mechanisms and systems employed by the participants. Such a fundamental recognition is even more important in countries with central planning traditions (and consequent dependency cultures) than elsewhere. **The notion of government (at whatever level) as the exogenous, rational and benevolent dictator, requiring a foundation of scientific reason for its actions, is as outdated and unfounded as the failed system of central planning.** The result of pursuit of such an exogenous rationality is self-re-enforcing mistrust and lack of demand for efficient political and bureaucratic systems (as pointed out in the Polish press, e.g. Rzeczpospolita, 7 Oct. 2002). Thus, in the most fundamental sense, what matters more than a specific policy (either as input or output) are the processes through which policy evolves and is evaluated and re-selected.

¹⁰⁵ This limitation is increasingly recognised in the area of policy evaluation. Its discourse has been gradually moving towards „participative evaluation” with few normative prescriptions, as pointed out by Dr. Sara Batterbury from Glamorgan University for pointing this out to me, during Regional Studies Association Conference „Regional policy evaluation” in Aix-en-Provence.

Underneath the deconstructed value-laden regional discourses, regionalisation of rural policies can be more adequately conceptualized as a socio-economic *process*, taking place in and as a result of economic, political and cognitive paradigms rather than as a political *desiderata* suggested, for example, by Cork Declaration (CEC: 1996). In the economic paradigm, the construction of rural space is linked to regimes of production (Harvey, 1996). A relative decline in the importance of commodity agriculture is likely to be coupled with the non-agricultural business development in at least some rural areas. With developments elsewhere in the economy, the growing demand for more differentiated rural products (with environmental, amenity, and culture components becoming part of products' added value) will encourage territorially differentiated provision to exploit on to specific capabilities of the local resources and their specific mix (Saraceno, 1999; Pezzini, 2001), though the local scale is obviously considerably smaller than the present administrative regional level, especially as NUTS 2 regions in bigger countries (such as Poland) are large and diverse. However, these market forces are still considerably weaker in Poland than in the more developed EU-15 (Piskorz, 2001).

The bottom-up demands for regionalisation of rural policy making are still relatively weak in Poland. Regional governance processes obtain little legitimacy from regional identities and, consequently exhibit deficits in credibility, even internally. In the absence of historically shaped loyalties, regional governance tends to use participative techniques, in particular, to tap onto local government and community networks, where they exist.

Empirical evidence suggests that the political paradigm for regionalisation of Polish rural development policies is largely a reflection of a special EU logic. As both the literature (Saraceno 2002; Bryden, 2000) and practical experience suggests, the EU rural development policy suffers from deficits in coherence, as it has evolved from the sectoral CAP. A mix of territorial and sectoral approaches, a myriad of conflicting signals from CARPE, LEADER and regional policies, have confused the applicant states (Bauko and Gurzo, 2001; Grabbe, 2002), which are nonetheless given little choice but to comply and thus copy evolved practices from different (if not more advanced) communities.

However, in the longer run, postulates are heard in the EC arena for integrating EU rural policies on territorial basis (Saraceno: 2002), for example by means of regional rural development programmes. These, however, can pose bureaucratic disputes on competences at the junction of agricultural, rural and regional matters (Depoele, 2000; Bryden, 2000). Only if (when) such solutions are adopted at the EU levels¹⁰⁶, can some scope be offered for involvement of Polish regions, though the literature suggests that the Structural Funds provide only an opportunity rather than a guarantee for regional entrepreneurship (Smyrl, 1997). In addition, evaluation of the Structural Funds indicates that in the beginning of the policy learning processes common administrative templates are used to reduce risks, and that they differentiate over time¹⁰⁷. On the other hand, centralizing pressures certainly come from present financial accountability conventions and are likely to persist in the enlarged EU. Finally, regionalisation under the cognitive paradigm is not to be overlooked. EU discourses and ideologies of subsidiarity as well as Polish "self-governments" impact the perceptions of Polish decision makers who almost univocally admit that some "training field" needs to be given to the regions, as regionalisation is implicitly perceived to be strongly associated with the break-up of central planning regimes and paradigms.

The notion that policy is embedded within the initial resource base, especially with respect to the social capital needs to be kept in mind. Even scarce evidence from SAPARD implementation suggests that (new) institutions are still embedded within the current levels of social capital (cf. Box 7.1.).

¹⁰⁶ Notwithstanding that rural development programmes have a possibility of regionalisation so does the SAPARD Programme. Yet in practice, the secondary legislative requirements have made it virtually impossible to regionalise SAPARD (not least due to elaborated procedures, expensive audits and the concept of payment agencies). Only in objective 1 areas does the rural programming have to be coordinated with regional programmes.

¹⁰⁷ As kindly pointed out by Prof. John Batchler, University of Strathclyde; seminar 2 October 2002.

BOX 7.1. Policy embeddness/feedback in social capital constraints (illustration of negative feedback)

The Agency of Restructuring and Modernisation of Agriculture (ARMA) was established in 1994 as a strongly centralized hierarchical organization. In 2002, following its accreditation as the SAPARD Agency, the new management of the Agency decided to replace a large number of core management staff with their political affiliates. A resultant scandal followed as the EU Commission requested the Agency to minimise the political influence and explain the change, threatening programme suspension. Similarly, ARMA has appointed politically chosen district advisers for IACS. Following the media critique, the district advisors were required to take a merit exam, which they mostly failed, but still kept their jobs. Despite a letter of Commissioner Fischler requesting explanation, and significant media critique, the Agency showed little response. At the same time, the personnel of ARMA grew from 200 in 1999 to 3150 in 2003. Whilst in 1999 70% of the Agency budget was earmarked to beneficiaries; in 2003 it is only planned at 36%.

This is only one of the many examples to show that the policy-making is embedded in a larger social culture (and associated levels of social capital), opposing demands for change.

(Rzeczpospolita, 27 Jan. 2003; 31 Aug 2002; 13 Aug 2002)

Failure to acknowledge such constraints is likely to breed “cathedrals in the desert”, unsustainable and costly. Despite this assertion, the Commission agents sometimes assume ambitious missions to create organisations beyond the capacities of even the current member states. An example is given in Box 7.2 below.

BOX 7.2: Policy embeddness in the resource constraints: example of ignorance of the constraints in policy practice

It is important to acknowledge the policy embedness with respect to the current levels of resources, including institutional and social resources.

On one hand, the Commission has repeatedly voiced its concerns about the poor level of institutional and social stocks in Poland, not least in its regular reports. On the other hand the Commission appears to expect levels of institutional performance, often above the current EU standards. As confessed by an official: "The Commission believes it is of paramount importance to build an excellent system of coordination (...). This is an ambitious task, often above the levels of current member states. It is important to build a truly transparent democratic system whereby participation and information in the decision making process is open to all stakeholders. (...) I am not interested in projects. If there was a clear system with audit trail and no projects, I would still consider it as a success". Whether or not such ambitions are representative of the Commission as a whole is an open question. However, the Commission would tend at least to emphasise the ability to implement EU rules more than the volume spent.

Such ambitions, ignoring the realities of transitions are unlikely to sustainable, though no doubt costly.

(based on interviews)

The definition of accountability is crucial. As the replacement of trust with procedures has proven unsatisfactory (at least partly as seen in Box 7.1), an alternative system of checks and balances might be worth considering. It has been argued repeatedly (also in research interviews), that a dispersal of power (or Tullock's notion of competition in bureaucracy) might be far more effective than audit. A new, refined notion of accountability might be considered to rest on a balance between the regional and central checks, represented by the marshal and voivods. Such a solution has been proposed for the regional funding (ERDF). Tenders for implementation functions could also serve prevent the oversupply of bureaucratic services (Tullock, 1976). ARMA, on the other hand, remains in a predominantly monopolistic position with the typical behaviour

of self-replicating bureaucracy (cf. Box 7.1), seeking to defend and enlarge its policy-territory at almost any cost.

Equally important is the notion of policy feedback on the stock of resources, especially social capital. What matters is not only *which* policy is implemented, but also *how* it is done. The perceptions of institutional performance (also cf. Box 7.1) impact people's trust in the collective systems. By the same token, policy implementation, as a non-exit repetitive behaviour pattern, can enhance the stocks of social capital (cf. example Box 7.3).

BOX 7.3:
Policy feed-back on resource endowment
(example of positive feedback loops)

The Monitoring Committee for the SAPARD programme, officially established in May 2001, was one of the first cases in Poland where representatives of central ministries, regional and social partners as well as experts were given an official opportunity to co-decide on rural issues. The initial debates, often initially high-jacked by dominant speakers or modes of argument, were slowly replaced by consensus building approaches. When faced with non-exit situation, a bureaucrat in charge of coordinating efforts has admitted: "we had to learn to decide, not merely argue. We had no time for non decisions".

This brief example demonstrates how the policy process feeds back positively on the stocks of social capital.

(from semi-structured interviews)

So far, the core research and policy advice on agricultural and rural adjustment in CEECs has concentrated on economic or political economy aspects (e.g. Hartell, Swinnen, 2000; Majewski, Dalton, 2000), with considerable gaps on political, institutional and

cognitive discourse processes. For example, in late 90s considerable efforts were made to create area-based rural strategies in Poland, yet little direct use has been made of them in EU programmes. In the post-communist institutional vacuum, attention to institutional processes (North, 1990), and building networks, partnerships and consensus for rural change remains overlooked in both research and practice. So far, the majority of policy processes remain non transparent with little procedural logic. More research, and especially information, about the nature of policy processes (so far largely confined to corridors of the central offices) would ease the access of multiple stakeholders. More fundamentally it would create the demand for such participation, especially in crucial early stages of the policy formulation. Nevertheless, access to policy making needs to be learnt by both sides. A structured and effective policy input requires technical expertise and on-time reaction. The EU practice suggests that the structural funds policies (with resource dependencies such as information or co-financing) encourage the development of multi-level governance. Although likely to be resource consuming, it creates a sense of policy co-ownership, and feeds back on the levels of social capital.

The Polish discussion about the most proper geographical unit as a target for rural policies has so far evolved mostly between the regional and central level. However, this discussion should involve smaller levels of policy reference. There is considerable evidence of variation on the level of rural localities in Poland. The deliniation of areas of homogenous resources, matched by political structures and territorial loyalties, is hard to do in a top-down way. The essential point of the debate so far focusing on central-regional dilemma could be profitably re-phrased into the top-down versus the bottom-up policy choices. Indeed, if the horizontal policies were to address major horizontal resource inequalities between the rural and urban zones, their natural complementation appears to support specificity and locally endogenous resources, most likely defined at the lower levels (cf. Box 7.4).

BOX 7.4. A dynamic rural territorial unit for policy purposes

Example of LEADER and associations of localities

This research has shown how difficult if not impossible it is, top-down, to delineate maps of territorially specific resources at the same time matching them with political preference formation and territorial loyalties. Most likely, such a close match only emerges through bottom-up initiatives. The boundaries of area-based LEADER groups are defined by people themselves, based on their own evaluation of joint opportunities, political affiliations and loyalties. The evaluations of LEADER programme shows that such a match appears to be successful, although time consuming. In Poland, dynamic rural units are defined for policy initiatives by associations of communes (związki gmin) legally established for specific projects.

The establishment of appropriate models of the rural development process in the CEECs remains a crucial, yet so far open question. So far, the current discourses, policy documents, and statistical data have concentrated on agriculture as the major backbone of rural communities in Poland. However, whilst farming is estimated to provide employment to about 40 per cent of rural population, it provides only 20% of rural household income in Poland. Already more rural income comes from non-agricultural activities than from farming. More than a half of Polish rural households do not have any land. Yet, the statistics, obviously guided by historic policy demands, offer little information on non-agricultural activities in rural areas. There are still many questions on the realistic model for Polish rural development. Options for development based on high value added, natural amenity and environmental products applied in post-industrial societies are currently questionable in Poland, where an average disposable income per capita is merely 150 EUR per month. The high share of the rural population and huge un(employment) coupled with limited work opportunities in urban and regional economies raises a question about where the impulses (e.g. capital) for development are likely to come from. The EU logic suggests that originally the impulses come from exogenous forces, followed by more endogenous trends. If the common trajectory of development is to be followed, Polish rural development processes are likely to be closely related to developments elsewhere in the economy. More discussion and critical analysis is needed to assess the linkages between regional and rural policies, most likely critical to the rural development process.

The development process, and hence, any rural development policy has to focus on and emphasise an unavoidable risk. Both business and social development is essentially dynamic and evolutionary. Progress (whether ultimately judged to be purposive and beneficial or otherwise) depends on mutation, adaptation and innovation. The incentive to innovate and adapt depends on the prospect of a risk premium. The question is only who pays the costs, who provides the venture capital, to cover the inevitable and fundamentally necessary risk. If the risk is pushed on to the beneficiaries (for example by means of producing sophisticated business plans, if not by financial guarantees), the programme access might be prohibitive, even for good projects. On the other hand, providing fundamental security to every experiment (innovation) will encourage inefficient profligacy of wasteful innovations, which can never survive the tests of commercial viability or social acceptability. Central institutions, distanced from beneficiaries, tend to have less resource dependencies with potential prospective beneficiaries and might be encouraged to make entry barriers too high (type 2 error: Bardham, 1997) at the expense of programme absorption rates (see Box 7.5. for an example).

BOX 7.5. Entry barriers for the SAPARD Programme

The EU FEOGA-Guidance funds manage risk by requiring the implementing national agency to handle cases of the beneficiaries failing to fulfill the contract, which might lead to withdrawal of funding by the EU Commission. Such cases include failures to complete the investment or business plans. The costs of preventing such risks are usually distributed amongst the implementing system with significant requirements being placed on the beneficiaries, with the balance to be decided by the national authorities.

In 2001-2002, ARMA prepared the implementation system for the SAPARD programme, placing the majority of costs upon the beneficiaries. Requirements for detailed business plans, inspections and controls were placed in conjunction with the double-security, namely the bank in-blanco bonds which ARMA is entitled to keep for a year following the investments. The result was a very low uptake of the programme by private beneficiaries. A broad discussion on lowering the entry barriers and easing programme's access has followed, albeit inconclusive to date.

(from participant experience)

7.5.2. Regionalisation of rural development programmes in Poland: specific policy implications

Now we move on to synthesize the specific policy question addressed in this thesis: what is a potential added value of the regional level for EU rural development policies in Poland? For lack of specific comparator¹⁰⁸, this question has been addressed by means of specific propositions. To re-iterate these here:

No evidence has been found to support the hypothesis that Polish regions necessarily (objectively) need regionally differentiated rural development policies for reasons of noticeable regional patterns in spatial resource endowment. Indeed, although Polish rural resources are spatially differentiated (in particular with respect to settlement and farm patterns, business development), the areas of homogeneity are at meta-regional level, or between localities within the present administrative regions. Also current economic theory fails to establish a link between rural resource endowments and an optimum policy mix.

The distribution of rural resources and structures is, however, linked to the potential distribution of policy benefits. For example, most of FEOGA-Guidance finance is only eligible to farmers. In fact, most Polish rural households do not have any land: those landless and farmless are geographically concentrated in Western and Northern Poland, generally corresponding to areas of high registered unemployment. On the other hand, areas of Eastern (especially South-Eastern Poland) suffer from high hidden unemployment, but due to scarce spatial capital their potential for business development appears low: indeed the past policy distribution indicates that those regions take less than their “fair” share of funding. Those concerns should be addressed by regional policies, clearly highly linked with the rural instruments.

However, the top-down map of rural resources is not sufficiently detailed to identify patterns of specificity, especially cultural, natural and social capital. No doubt area based

¹⁰⁸ An original idea of this research as set out in 2000 to provide a comparative analysis of partially regionalised Rural Development Programme and centralised SAPARD programme, has been abandoned due to delays in SAPARD implementation. The programme was only launched in July 2002, some 2.5 years after its planned start.

policy packages are useful as a complementary measure. However, they are better defined in a bottom up way at a level lower than NUTS 2.

The second proposition examined holds that Polish rural development policies need to be regionally differentiated due to strong, regionally differentiated rural policy preferences. Little evidence of such phenomenon has been found in the course of critical examination of Polish rural development policy preferences, and questions have been raised as to the legitimacy of regional rural preferences for reasons of weak regional identities and policy participation. Indeed, any regional policy differentiation is more likely to include the differentiated funding allocations between measures (reflecting their differentiated importance) rather than the choice of measures per se.

The third proposition has examined the validity of budget regionalisation on the grounds of territorial fairness. It has been concluded that whilst regional budgetary envelopes have a limited usefulness as a territorial equity mechanisms, they can be used as a useful territorial benchmark for policy evaluation. However, the intra-regional differences in the patterns of development (typology of ruralities, identified in Chapter 3) are likely to be transferred into intra-regional inequalities in policy absorption, though this inference should be tested through case studies.

Finally, the analysis of Polish-EU rural policy arena has concluded that Poland is merely a taker (responder or copier) of EU centralized rural policies, and Polish regions have currently limited capacities or incentives for active participation in the process.

Indeed, though a territorial angle in rural development policy appears uncontestable, there is little evidence for the relevance of the regional scale for rural policy making in Poland. Indeed, the menu approach adopted at the central level appears adequate to provide the local policy clients with the choices to cater for their needs and integrate them with local strategies. This finding is in line with more general research on the relevance of the regional level to EU rural policy, carried out by the LEI (Terluin, Venema, 2003).

Last but not least, as the considerations above show, the rural development process and policy making feature essential complexity. As in any other social system, it needs to consist of a core of static “contingent necessities”, coupled with openness and self-corrective mechanisms. Only with evaluation and audit mechanisms implemented regularly¹⁰⁹ can it survive and improve. However, the design and implementation of these evaluation and audit mechanisms will inevitably condition the responses generated by the system – it is self-referential. To what extent the system’s corrections are allowed and encouraged to develop and evolve in the course of bureaucratic and political intergovernmental management appears crucial for policy success. However, there is a conflict between the essential flexibility of the programme and strict requirements for accountability and control connected with intergovernmental arrangements. The right design and balance seems to be a major key to success.

One final comment seems appropriate. The search for improved forms of governance to replace failed systems of government must necessarily involve both practitioners and researchers (as disinterested observers and analysts). Systems of rules and protocols need to be commensurate with the deployment of rewards and incentives. Competences need to be harnessed to and commensurate with capacities. It is presently extremely ironic that the competencies of the European Union for rural development, as expressed by its Commission, are severely at odds with the capacities of the Union to mobilize resources (especially finance) to assist in the development processes, which are currently limited to no more than 1.3% of European GDP.

7.6. The End... and the beginning

Although this thesis has brought some conclusive results in terms of evaluating the validity of propositions referring to regionalisation (as described in Section 7.2.), as well as policy recommendations (Section 7.5), its resultant inductive synthetic theoretical framework (sketched in Section 7.3), leads to a re-definition of the major questions raised by the option of regionalisation, of both a theoretical and practical nature. The aim of the final section is to state clearly what it is that we still do not know (Table 7.4).

¹⁰⁹ The Structural Funds are subject to ex-ante, interim and ex-post evaluation, but the corrections implied in evaluation can typically be made only once in a programming period if at all.

The integrated policy analysis framework needs further development, in particular in terms of adding a dynamic change. Which paradigms of the system change first? How and when do changes in one paradigm get transferred into other policy paradigms? Where does change originate for rural policies: inside or outside the system? Which modes of governance cope best with rural change and resist rural conflicts? Which political patterns decrease social capital? How does the system employ self-reflexive mechanisms? How are territorial identities related to territorial inequalities? Is regional governance efficient in creating territorial identities and do positive territorial identities encourage economic mobilization? If not, why not? Does the reinforcement of territorial logic need to take redirect actors' loyalties from the sectoral issues? More questions will, no doubt, arise as the research proceeds, much as has been the case here.

Table 7.4. Areas for further research on regionalisation of Polish rural development policies

Economic dimension	<ul style="list-style-type: none"> • Agricultural support policies for transition economies Agricultural policies in developing economies need to strike a delicate compromise between improving agricultural productivity and encouraging resources especially land and labour, to flow out of the sector. The design of such policies has never been easy, yet lessons might be learnt from past mistakes. • Transaction costs: central v. regional rural development policy. A comparative study of transaction costs of centralist SAPARD versus the regionalized World Bank Rural Development Programme could usefully be undertaken as and when data becomes available.
Cognitive dimension	<ul style="list-style-type: none"> • Rural development discourses in regions Cognitive aspects of development strategies vary across Polish regions (as indicated in Chapter 4). In particular, construction of specificity, identity and image ("us"), the nature of the development process and its relation to the aspirations of the target population, the role of the public sector in the development process, the role of EU (external public) funds, the role of inward investment flows, are all important factors shaping the perceptions and behaviour of the main actors. However, the relationships between the factors and cognitive development are, as yet, not at all well understood.
Political dimension	<ul style="list-style-type: none"> • Regional & rural policy networks This research has shed some light on regional rural networks based on discourse on regional development strategies (created in 2000) (Chapter 4). Yet, the networks are a dynamic phenomenon. More in depth research is needed to identify and evaluate network participation (and non participation), key interests represented, political representations, and motives. Comparative case studies among different types of policy delivery systems seems a promising approach, in conjunction with the assessment of transactions costs mentioned above.

Feedback and embeddness	<ul style="list-style-type: none"> Regional rural governance and its impact on social capital stocks <p>Identification and measurement of social capital, its impact on trust, and hence on transaction systems and costs, is at a practically non-existent stage. Yet, according to this analysis, it could prove to be a critical discriminant between successful versus unsuccessful policies and programmes (case study).</p> <ul style="list-style-type: none"> Geography of impact of SAPARD programme in Poland <p>Absorption and impact evaluation of the SAPARD programme in Poland, across regions, and intra-regionally (in different classes of ruralities) should provide important and useful information as and when it becomes possible to do.</p>
Rural resource base	<ul style="list-style-type: none"> Geography of Polish rural resource base (dynamics) <p>The analysis here (Chapter 3) has been confined to currently measured indicators. Social and spatial capitals need to be more carefully identified and measured. More dynamic analysis of development trajectories of Polish ruralities, where the relative weights and salience of capital types for development prospects could be assessed, is needed, for example based on comparative case studies.</p>

However, as noted above, answers to these questions depend on comparative studies, which in turn imply that experiments and trials of different policy approaches and perspectives are needed for adequate assessment. In fact, since there is no unique recipe for successful development, such experiments are taking place as a natural outcome of ignorance and uncertainty.

As Jessop (1997:99) has noted:

"Since the real world is infinitely complex, however, it is inevitably analytically inexhaustible (...) as more analytical planes are introduced in order to produce increasingly adequate explanations".

The researcher needs to choose, to use Jessop's term, "contingent necessity", a minimum level of complexity to provide explanation adequate to a question raised. I choose to pause at this point, having met (at least to a limited extent) my initial objectives, and, perhaps more importantly, because of limits to my resources. However, I am more than aware that this point could be a yet another (new) start. Meanwhile, the tasks of the practical policy advisors, designers and administrators (to which I now return) remain necessarily complex, and inherently ill-conditioned for a purely rational and scientific analysis or methodology. This is frustrating but inevitable. In similar terms to Jessop's researcher, practical policy design and management can only be disciplined

by contingent necessity. Nevertheless, the results and analysis of this study should provide such practitioners with a 'road map' that can be used to identify potential road-blocks, alternative routes, needs for road upgrading and by-passes. The original intention to provide an unambiguous route to successful development has proved impossible. But the search has proved instructive and illuminating.

Literature

Laws

Council Regulation (EC), 1257/1999 Support to Rural Development by the European Agricultural Guidance and Guarantee Fund (EAGGF), (OJ 26.6.1999)

Polish Law on the regional self-government, Law of 5 June 1998 (OJ 91, 18 July 1998)

Polish Law on the governmental administration, Law of 5 June 1998 (OJ 91, 18 July 1998)

Polish Law on Public Finance, Law of 26 November 1998, OJ 19 December 1998

Official documents and programme sites

ARMA, (2002), Information on the Activities of ARMA, accessible on the net: www.arimr.gov.pl

CEC, (1993) *Community Structural Funds 1994-1999, Revised Regulations and Comments*, Brussels: CEC

CEC (1996), *Cork Declaration – A Living Countryside*, Rural Development Conference, Cork, 7-9 November 1996, downloaded from the Web: http://europa.eu.int/comm/agriculture/rur/cork_en.htm

CEC (1999), *Sixth Period Report on Social and Economic Situation and Development in Regions in the EU*, Brussels: Commission of the European Communities

CEC (2001), *Second Report on Economic and Social Cohesion*, Brussels: Commission of the European Communities

CEC (2001) COM 2001: 428 "Enhancing the Governance: A White Paper on Governance in the European Union", Brussels: CEC

CEC (2002) *Agricultural Situation in the Candidate Countries*, Brussels: CEC

CEC (2002), SEC (2002) 95, *Enlargement and Agriculture: Successfully Integrating the New Member States into the CAP*, Issues paper, Brussels: CEC

Rural Development Programme (2002), *Basic Information on the Programme*, accessible on the web: <http://www.fapa.com.pl/jkp/komc/index.html>

Ministry of Economy, (2001) *Report on Polish Economy*, downloaded from the internet: http://www.mg.gov.pl/struktur/DAiP/raport_2k-pl/gosp_2.pdf

Ministry of Economy (ME), (2002a), *Narodowy Plan Rozwoju dla Polski 2004-2006*

(National Development Plan for Poland), draft, June 2002, available at: www.mg.gov.pl

Ministry of Economy (ME), (2002b), *Zintegrowany Program Operacyjny Rozwoju Regionalnego dla Polski (Integrated Regional Development Programme for Poland)*, draft as of February 2003, available at: http://web.mg.gov.pl/portalout/cig_OIShow.jsp

MARD, (1998) *Coherent Structural and Rural Development Policy*, <http://www.minrol.gov.pl>

MARD, (2000), *Operational SAPARD Programme in Poland*, Warsaw, available: www.minrol.gov.pl

MARD(2001a), *Biuletyn informacyjny Ministerstwa Rolnictwa i Rozwoju Wsi 3/2001, Informacja o stanie przedsiębiorczosci wiejskiej*, available on the internet: <http://www.minrol.gov.pl/bprasowe/index.html>

MARD (2001b), *Biuletyn informacyjny Ministerstwa Rolnictwa i Rozwoju Wsi 5/2001, Informacja o stanie turystyki wiejskiej*, available on the internet: <http://www.minrol.gov.pl/bprasowe/index.html>

MARD (2003a), *Wydanie Specjalne: Polska w UE*, Biuletyn informacyjny Ministerstwa Rolnictwa i Rozwoju Wsi, 1-2/2003, (*Poland in the EU: Information Bulletin of MARD*) Warsaw: MARD available on the web at: <http://www.minrol.gov.pl/bprasowe/index.html>

MARD (2003b), *Sektorowy Plan Operacyjny: Restrukturyzacja i Modernizacja Sektora Żywnościowego I Rozwój Obszarów Wiejskich (Sector Operational Programme: Restructuring and Modernisation of Food Sector and Rural Development)*, draft, February 2003, available at: www.minrol.gov.pl

SAEPR, (2000), *Potencjalne skutki integracji z Unia Europejska dla sektora rolnego w Polsce, (Potential consequences of EU integration for Polish agricultural sector in Poland)*; Warsaw: SAEPR, downloaded from: http://www.fapa.com.pl/saepr/rap/skutki_integr.pdf

SAEPR, (2001), *Obawy związane z integracją polskiego rolnictwa z UE (Fears related to the Integration of Polish agriculture with the EU)*, Warsaw: SAEPR-FAPA

SAEPR (2001), *Metodologia podziału środków programu SAPARD pomiędzy regionami (Methodology of regional SAPARD funding allocation)*, Warsaw: SAEPR unpublished report

SAEPR, (2002), *Analysis and evaluation of the European Commission proposals for the candidate countries*, Warsaw: FAPA/SAEPR, available on the web: <http://www.fapa.com.pl/saepr/index.html>

SAEPR, (2003), *Informacja na temat wyników zakończonych negocjacji akcesyjnych w obszarze "Rolnictwo"* (Information about the final outcome of Polish EU accession negotiations in agriculture). Warsaw: FAPA/SAEPR, available on the web: [http://www.fapa.com.pl/saepr/rap/Skutki%20finansowe nowy.pdf](http://www.fapa.com.pl/saepr/rap/Skutki%20finansowe%20nowy.pdf)

Statistical data

Eurostat, (2002), Eurostat news release, No 13/2002 – 29 January 2002

GUS, (1996), *Wyniki mikrospisu ludności* (Microcensus of population), Warsaw: GUS

GUS, (1997), *Wyniki powszechnego spisu rolnego w Polsce* (Polish agricultural census), Warsaw: GUS

GUS, (1999), *Budżety gospodarstw domowych w 1998* (Budget of Polish households in 1998), Warsaw: GUS

GUS, (2000), *Maly rocznik statystyczny Polski* (Small statistical yearbook), Warsaw: GUS

GUS, (2001) *Charakterystyka obszarów wiejskich oraz przemiany agrarne w Polsce do 1999* (Characteristics of Polish rural areas and agrarian transformation in Poland till 1999), Olsztyn: US

GUS, (2002a), *Bank Danych Lokalnych* (Bank of Regional Statistics), available at web: www.stat.gov.pl

GUS, (2002b), *Wojewodztwa w latach 1995-2002* (Voivodships in 1995-2002), available at: www.stat.gov.pl

GUS, (2002c), *Badania aktywności ekonomicznej ludności (BAEL)* (Economic activities of Polish population), Warsaw: GUS

Polish regional development strategies

Dolnośląski Urząd Marszałkowski (2000), *Strategia rozwoju województwa dolnośląskiego*, downloaded from the web at: <http://strategia.dolnyslask.pl/>

Lubelski Urząd Marszałkowski (2000), *Strategia rozwoju województwa lubelskiego*, downloaded from the web at: <http://www.lubelskie.pl>

Lubuski Urząd Marszałkowski (2000), *Strategia rozwoju województwa lubuskiego*, downloaded from the web at: <http://www.lubuskie.pl>

Małopolski Urząd Marszałkowski (2000) *Strategia rozwoju województwa małopolskiego*, downloaded from the web at: <http://www.malopolskie.pl>

Mazowiecki Urząd Marszałkowski (2001) *Strategia rozwoju województwa mazowieckiego*, downloaded from the web at: <http://www.mazovia.pl>

Opolski Urząd Marszałkowski (2000), *Strategia rozwoju województwa opolskiego*, downloaded from the web at: <http://www.umwo.opole.pl/>

Podkarpacki Urząd Marszałkowski (2000), *Strategia rozwoju województwa podkarpackiego*, downloaded from the web at: <http://www.podkarpackie.pl/nowe/index1.php>

Podlaski Urząd Marszałkowski (2000), *Strategia rozwoju województwa podlaskiego*, downloaded from the web at: <http://www.sejmik.home.pl/niep.php?id=niep/strategia1>

Pomorski Urząd Marszałkowski, (2000), *Strategia rozwoju województwa pomorskiego*, downloaded from the web at: <http://www.woj-pomorskie.pl/strony/strategia/strategia.pdf>

Ślaski Urząd Marszałkowski (2000), *Strategia rozwoju województwa ślaskiego*, downloaded from the web at: <http://www.silesia-region.pl/STRATEGIA>

Świętokrzyski Urząd Marszałkowski, (2000) *Strategia rozwoju województwa świętokrzyskiego*, downloaded from the web at: www.sejmik.kielce.pl

Wielkopolski Urząd Marszałkowski, (2000) *Strategia rozwoju województwa wielkopolskiego*, downloaded from the web at: <http://www.wielkopolska.mw.gov.pl>

Zachodniopomorski Urząd Marszałkowski, (2000) *Strategia rozwoju województwa zachodniopomorskiego*, downloaded from the web at: <http://www.um-zachodniopomorskie.pl>

Press

Bielecki, J. (2001), *Dwa lata opoznien programu SAPARD, (SAPARD: two years of delay)*, Rzeczpospolita: 30/03/01

Bielecki, J. (2001), *Pieniadze nie w tym roku (Money not this year)*, Rzeczpospolita, 30-03-02

Bielecki, J. Kaczynski, A. (2002), *Bedziemy chronic nasze rolnictwo (We shall protect our agriculture)*, Rzeczpospolita: 09/10/02

Bielecki, J., Stankiewicz A. (2002), *W pulapce zadan (Trapped in tasks)*, Rzeczpospolita: 18/11/02

Euro PAP: 22/11/02, *Poland: Due to EU aid, GDP will reach an additional growth of 3.74% in 2006*

Euro PAP: 26/09/02, *Law and Justice: Negotiators Should Admit their Applications for Brussels Jobs.*

Matusz, J., Trusewicz I. (2002), *Stanowiska dla dzialaczy z partyjna rekomendacja (Jobs for activiststs with party recommendation)*, Rzeczpospolita: 31/08/02

Szot, E. (2002), *To dopiero poczatek. Wynik negocjacji wg premiera Kalinowskiego (This is just the beginning. Results of negotiations by Mr. Kalinowski, Deputy Prime Minister)*, Rzeczpospolita: 16/12/02

Szot, E. (2003) *Agencja rozwija sie najszybciej (The Agency is growing fastest)* Rzeczpospolita, 27/01/03

Trusewicz, I, Wildestein, (2002), *Nowi fachowcy prezesa Bentkowskiego (New experts of President Bentkowski)*, Rzeczpospolita: 13/08/02

Trusewicz, I. (2002) *Egzaminy nie dla dyrektorow (Exams not for directors)*, Rzeczpospolita: 03/10/02

Walewska, (2002) *Nadmiar inwestycji nam nie grozi (We are not in danger of excessive*

investment), Rzeczpospolita, 11/12/02

Wildstein B. W zwierciadle Wiatra (In Wiatr's mirror) Rzeczpospolita, 7/10/02

Literature

Abramovitz, M. (1993), *The Search for Sources of Growth: Areas of Ignorance: Old and New*, Journal of Economic History, 53 (2) June, pp. 217-253

Adelman, I. (2000), *Fallacies in Development Theory and Their Implications to Policy*, In: Stiglitz, Meyer (ed) (2000) pp. 103-135

Amin, A. (1994), *Post-Fordism: A Reader*, Oxford: Buckwell Publishers

Amin, A. (1999), An Institutional perspective on Regional Economic Development. *International Journal of Urban and Regional Research*, Vol. 23, issue 2, pp. 365-379

Amin, A. Hausner J. (ed) (1997), *Beyond Market and Hierarchy*, Edward Elgar: Cheltenham

Amin, A., Tomaney, J. (eds) (1995) *Behind the Myth of European Union, Prospects for Cohesion*, London: Routledge

Anderson, K., (1995), "Impacts of the New Multilateral and Regional Integration Agreements on Agricultural Competitiveness of Advanced Economies". In: Peters, G.H. and Hedley, D.D. (eds) "Agricultural Competitiveness: Market Forces and Policy Choice", Dartmouth, pp. 110-125

Andrychowicz A. (1999): *Voivodship Consulting Questionnaires for the SAPARD Programme*, Warsaw: SAEPR unpublished report

Arnaud, J.L, Zaborowska M, (2002), *Enlargement of the European Union: Towards an Area of Solidarity and Cooperation*, Paris: Notre Europe

Austin, J.L. (1962), *How to Do Things with Words*, New York: Oxford University Press

Azfar, O., Kahkonen S., Meagher, P., (2001), *Conditions for Effective Decentralised Governance: A Synthesis of Research Findings*, Iris Centre: World Bank, downloaded from the web:

<http://www1.worldbank.org/publicsector/decentralization/cd/ConditionsEffective.pdf>

Bachler, J., Turok, I. (eds) (1997) *The Coherence of EU Regional Policy*, London: Jessica Kingsley Publishers

Baland, J.M, Kotwald, A. (1998) *The political economy of underinvestment in agriculture*, Journal of Development Economics, Vol. 55 (1998) 233-247

Bardham, P. (1997) *The Role of Governance in Economic Development*, Paris: OECD

- Barro, R., Sala-i-Martin, X., (1992), *Convergence*, Journal of Political Economy, no. 100, pp. 223-51
- Bauko T.; Gurzo I. (2001); *Dilemmas in Agricultural and Rural Development in Hungary: The EU Accession Partnership and the Sapard Programme*, European Urban and Regional Studies, October 2001, vol. 8, no. 4, pp. 361-369(9)
- Beer S.H, (1965), *Modern British Politics*, London: Faber & Faber
- Begg, I. (1995) *Threats to Cohesion* in: Amin, Tomaney, 1995
- Begg, I. (1998) *Inter-Governmental Transfers and Capital Formation in CEECs*, unpublished draft report, London: South Bank University
- Bell, D. (1975), *Power, Influence and Authority*, London: Oxford University Press
- Bennett, W.L. (1980) *The Paradox of Public Discourse: a Framework for the Analysis of Political Accounts*, The Journal of Politics, Volume 42, Issue 3 (Aug. 1980), 792-817
- Berkum, S., van Meijl, H, (2000), *The application of trade and growth theories to agriculture: a survey*, The Australian Journal of Agricultural and Resource Economics, 44:4, pp. 505-542
- Bird, R.M., Vaillancourt, F. (1998) *Decentralisation financière et pays en développement: concepts, mesure et évaluation*. L'Actualité Économique. Revue d'Analyse Économique 74.3. 343-6
- Blair, J. (1995) *Local Economic Development: Analysis and Practice*, London: Sage
- Blanc, M. (1997), *Rurality: concepts and approaches*. Paper presented at the 48th Seminar 'Rural restructuring within developed economies' of the European Association of Agricultural Economists, Dijon, 20-21 March.
- Blaxter, L, Hughes C, Tight, M. (1998) *How to Research*, Open University Press: Buckingham
- Boldrin, M. and Canova, F. (2000) *Inequality and Convergence: Reconsidering European Regional Policies*, (unpublished paper to be presented at 31st Panel Meeting of „Economic Policy”, Lisbon)
- Borras, S., Johansen H. (2001) *Cohesion Policy and the Political Economy of the EU*, Cooperation and Conflict, Vol. 36, Issue 1, pp. 31-60
- Bottomore, T. B. (1966), *Elites and Society*, Harmondsworth, Middx.: Penguin
- Boyne, G., Powell, M. (1991) *Territorial justice: a review of theory and evidence*, Political Geography Quarterly, Vol. 10, No. 3, July 1991, 262-281
- Bradley, T., Lowe Ph. (eds) (1984) *Locality and Rurality: Economy and Society in Rural Regions*, Norwich: Geo-Books

- Brannen J. (ed), (1992), *Mixing Methods: Qualitative and Quantitative Research*, Aldershot: Ashgate
- Breitschopf, B., Schrieder G. (1999) *The development of the rural non farm sector in transition economies – implication of capital intensity on labour productivity and employment*, unpublished paper
- Brusis, M. (2002), *Between EU Requirements, Competitive Politics, and National Traditions: Re-creating Regions in the Accession Countries of Central and Eastern Europe*, Governance, Vol. 15, no. 4, pp. 531-559
- Bryden, J. (2000), *Is There a New Rural Policy?*, paper presented at International Conference: European Rural Policy at the Crossroads, Aberdeen, 29 June – 1 July 2000, downloaded from: <http://www.abdn.ac.uk/arkleton/conf2000/papers.htm>
- Bryden, J.M. (1998) *Development strategies for remote rural regions: what do we know so far?* Paper presented at the OECD international conference on remote rural areas – developing through natural and cultural assets, Albarracin, Spain, 5-6 November
- Bryman, A. (1992), *Quantitative and qualitative research: further reflections on their integration*, In: Brannen, J. (ed), pp. 58-77
- Buchanan, J. M. and Robert Tollison (ed.).(1984) *The Theory of Public Choice II*. Ann Arbor: University of Michigan Press
- Buchanan, J. M., Tullock, G. (1962) *The Calculus of Consent: Logical Foundations of a Constitutional Democracy*, Ann Arbor: University of Michigan Press
- Buchanan, S. (1982) *Power and Planning in Rural Areas: Preparation of the Suffolk County Structure Plan*, In M. J. Moseley (ed), *Power, Planning and People in Rural East Anglia*, Norwich: Centre for East Anglian Studies, University of East Anglia
- Burgess, R.G, (ed) 1982, *Field Research: A sourcebook and field manual*, London: George Allen and Unwin
- Capra, F. (1996), *The Web of Life*, Berkeley: Doubleday
- Castells, M. (1997) *The Power of Identity*, London: Blackwell
- Ceccato, V; Persson, L. (2002), *Dynamics of rural areas: an assessment of clusters of employment in Sweden*, Journal of Rural Studies, vol. 18:1, pp. 49-63
- Chambers, R (1996), *Putting the Last First*, Oxford: Oxford University Press
- Chaplin, H., Davidova, S., Gorton M., (2002), *Non-Agricultural Diversification of Farm Households and Corporate Farms: Lessons from Central Europe*, Working Paper of Idara Project, downloaded from net: <http://www.agp.uni-bonn.de/agpo/rsrch/idara/public.htm>
- Christidis, A. (1998) *"Preparing a Programme"*, Lecture delivered during TAIEX seminar

for the applicant countries, Brussels 23-24 June 1998

Cloke, P, Little J, (1990), *Limits to Planning in Rural Society*, Oxford: Clarendon Press

Dahl, R.A., (1961), *Who Governs?*, New Haven, Conn.: Yale University Press

Dalton, G.E. (et al), (1999), *Economic, Social and Environmental Ex-Ante Evaluation of the SAPARD Operational Programme for Poland*, Warsaw: unpublished report

Dardanelli, P. (1998), *Identity and Legitimacy, A European Dilemma*, Paper presented at Second European Urban and Regional Studies conference, Durham, 17-20 September 1998, downloaded from the web at: <http://web.onetel.net.uk/~pdardanelli/Durham98.doc>

Daugbjerg, C. (1999), *Reforming the CAP: Policy Networks and Broader Institutional Structures*, Journal of Common Market Studies, Vol. 37, No. 3, pp. 407-28

Davidova, S. (et al) (2002) *An analysis of competitiveness at the farm level*, Working Paper 2/11 of Idara Project, <http://www.agp.uni-bonn.de/agpo/rsrch/idara/Farm/Wpaper11.doc>

Davies, B.P, (1968) *Social Needs and Resources in Local Services*, London: Michael Joseph

Davies, N. (1982) *God's Playground: A History of Poland*, London: Penguin

de Cillia, R, Reisigl, M, Wodak, R (1999), *The discursive construction of national identities*, Discourse and Society, Vol. 10, Issue 2, pp. 149-173

Delorme, R. (1997), *The foundational bearing of complexity*. In: Amin and Hausner (eds) (1997)

Denzin, N. (1970), *The Research Act in Sociology*, London: Butterworth

Depoele, L. (2000), *The European Model of Agriculture: Multifunctional Agriculture and Multisectoral Rural Development*, paper presented at International Conference: European Rural Policy at the Crossroads, Aberdeen, 29 June – 1 July 2000, downloaded from: <http://www.abdn.ac.uk/arkleton/conf2000/papers.htm>

Deutsch, D., 1997, *The Fabric of Reality*, Harmondsworth: Penguin

DfiD, (2002), *Livelihoods Connect. Guidance Sheet*, available on line: http://www.livelihoods.org/info/info_guidancesheets.html

DiMaggio, P.J., Powell, W.W. (1991), *The New Institutionalism in Organisational Analysis*, London: University of Chicago Press

Doel, H., Velthoven, B. (1993), *Democracy and Welfare Economics*, Cambridge: Cambridge University Press

- Domanski, H. (1994), *Na progu konwergencji: stratyfikacja społeczna społeczna w krajach Europy Środkowo-Wschodniej*, Warsaw: Wydawnictwo IFiS PAN
- Donahue, J.D. (1997), *Disunited States*, New York: HarperCollins
- Douglass, (not dated) *Reciprocal Rural-Urban Linkages: Issues and Opportunities for Spatial Planning*, Washington: World Bank, presentation available at: [http://wbln0018.worldbank.org/External/Urban/UrbanDev.nsf/Attachments/Reciprocal+rural+and+urban+linkages:+Issues+and+opportunities+for+spatial+planning+powerpoint+presentation/\\$File/MDpowerpoint.doc](http://wbln0018.worldbank.org/External/Urban/UrbanDev.nsf/Attachments/Reciprocal+rural+and+urban+linkages:+Issues+and+opportunities+for+spatial+planning+powerpoint+presentation/$File/MDpowerpoint.doc)
- Downs, A. (1967), *Inside Bureaucracy*, Boston: Little, Brown and Company
- Dryzek, J. (2001), *Legitimacy and Economy in Deliberative Democracy*, Political Theory, Vol. 29, no. 5, pp. 651-669
- Dunleavy, P., (1991) *Democracy, Bureaucracy and Public Choice: Economic Explanations in Political Science*. New York: Harvester-Wheatsheaf
- Dziemianowicz, W. (et al), *Wspieranie przedsiębiorczości przez samorząd terytorialny (Support of enterprise by local government)*, Warsaw: PARP
- Dzierżaniowski, W. (2000) *Report on Polish SME Sector in 1998-1999* Warsaw: SME Foundation, available on the internet: www.parp.gov.pl
- Economist Corporate Network (2002), *European Union Accession: Practical Implications for Central Europe*, Ernst and Young, available on line: http://www.ey.com.pl/gcrdownload/ECN_Enlargement.pdf
- Edelman, M. (1977) *Political Language: Words that Succeed and Policies that Fail*, Academic Press: New York
- Emery, F.E. (ed) (1969), *Systems Thinking*, Harmondsworth: Penguin
- Esposti, R.; Sotte, F. (1999), *Territorial heterogeneity and institutional structures in shaping rural development in Europe*. Paper presented at IX European Congress of Agricultural Economists: European Agriculture Facing the 21st Century in a Global Context, Warsaw: 24-28 August 1999
- Fabre, C. (2002), *Justice, Fairness, and World Ownership*, Law and Philosophy, vol. 21, issue 3, 249-273
- Fainstein, S. (2001), *Competitiveness, Cohesion and Governance: Their Implications for Social Justice*, International Journal of Urban and Regional Research, Vol. 25, issue 4, pp. 884-888
- Falvey, R., (1997), *Trade Policy and Growth Theory: Recent Advances*, Discussion Papers in Economics, DP 97/3 University of Nottingham, UK.

- FDPA (2001) *Rural Development Report*, Warsaw: FDPA 2001
- Foucault, M. (1986) *The Foucault Reader*, New York: Pantheon Books
- Franck, T. M. (1996) *Clan and Superclan: Loyalty, Identity and Community in Law and Practice*, American Journal of International Law, Vol. 90, No. 3. (Jul., 1996), pp. 359-383
- Frenkel, I., Rosner, A. (2000), *Ludnosc i wiejski rynek pracy w Polsce, (Rural population and rural labour market in Poland)*. In: PAN (ed) (2000), pp. 98-160
- Fukuyama, F. (2002), *Social capital, civil society and development*, Third World Quarterly - Journal of Emerging Areas, Vol. 22, Nr: 1, pp. 7-20
- Gallie, W.B. (1968), *Essentially Contested Concepts*. In: Black M. (ed), *The Importance of Language*, Oxford: Oxford University Press, pp. 122-146
- Gawlikowska-Huckel, K., Uminski S., (2000) *Ocena konkurencyjnosci wojewodztw*, Gdansk: Instytut Badan nad Gospodarka Rynkowa
- Gazdar, G. (1981), *Speech Act Assignment*. In: Joshi A, Webber B.L., Sag I.A. (eds) *Elements of Discourse Understanding*, Cambridge: Cambridge University Press, pp. 122-146
- Gerber, E. Jackson, J. (1993) *Endogenous Preferences and the Study of Institutions*, American Political Science Review, Vol. 87, No. 3, pp. 639-656
- Gereffi, G., Fonda S. (1992), *Regional Paths of Development*, Annual Review of Sociology, Vol. 18. (1992), pp. 419-448.
- Gilg, A.(1978) *Politics and the Countryside: The British example*", in Cloke et al
- Gilowska Z. (2001), *Konsolidacja i decentralizacja finansow publicznych (Consolidation and decentralization of public finance)*, Warsaw: Instytut Spraw Publicznych and Europejski Instytut Rozwoju Regionalnego i Lokalnego of Warsaw University, Project "Analysis of implementation and results of territorial reform in Poland"
- Gilowska, Z. (2000) *Analiza centralnych wydatków publicznych kierowanych na polityki sektorowe, wpływających na procesy rozwoju regionalnego (Analysis of central public expenditure on sectoral policies, which influence regional development processes)*, "Studia Regionalne i Lokalne", Warsaw nr 3/2000
- Glaser, B.G. and Strauss, A.L. (1967) *The Discovery of Grounded Theory: Strategies in qualitative research*, New York: Aldine de Gruyter
- Glebocki, B, Rogacki, H (2002), *Regions of Growth and Stagnation in Poland: Changes in Agriculture, Industry and International Markets*, European Urban and Regional Studies 9(1), pp.53-59
- Goodwin, M., Painter, J. (1996), *Local governance, the crises of Fordism and the*

changing geographies of regulation, Transactions of the Institute of British Geographers, Vol. 21, Issue 4, pp. 635-648

Gorzelać, G. (2000) *Decentralisation of the Territorial Organisation of the Polish State*, Paper presented at Regional Studies Association Conference: Regional Transitions: European Regions and their Challenges of Development, Integration and Enlargement, Gdansk, 15-18 September, <http://secure.rogerbooth.co.uk/rsa/gdansk/Gorzelać.doc>

Gorzelać, G., Jałowiecki B. (1998), *Koniunktura gospodarcza i mobilizacja społeczna w gminach (Economic development and social mobilisation in Polish communes)*, Studia Regionalne i Lokalne, 25(58), Warsaw: Europejski Instytut Rozwoju Regionalnego i Lokalnego Uniwersytetu Warszawskiego

Gorzelać, G., Jałowiecki B., Gorzelać, G., *Strategie Rozwoju Regionalnego: Proba Oceny (Regional development strategies: an attempt of evaluation)*, Studia Regionalne i Lokalne, Nr 1(5) / 2001, pp. 41-59

Grabbe, H. (2002) *How does Europeanisation Affect CEEC Governance? Conditionality, Division and Diversity*, Journal of European Public Policy, 8:6, December 1013-1031

Grant, R.W. (2002) *Political Theory, Political Science, and Politics* Political Theory, Vol. 30, issue 4, pp. 577-596 (Special Issue: What is Political Theory)

Grieg S. (2002) *Strategic Regionalism: Policy Advocacy and Regional Activism in England and Wales*, Paper presented at Regions and Cities in 21st century, Newcastle-upon-Tyne, September 2002

Gwoźdz, K. (2002), *Le Devenir le Monde Rural Polonais en Pologne*, Notre-Europe Working Paper, available on the web at: <http://www.notre-europe.asso.fr/fichiers/DoctravailKaty.pdf>

Haas, E.B. (1980), *Why collaborate? Issue-linkage and international regimes*, World Politics 32 (3): 357-405

Habermas J. (1984), *The Theory of Communicative Action*, Boston MA: Beacon Press

Hagen, E. (1962), *On the Theory of Economic Change*, Homewood: Dorsey Press

Ham, C. and Hill, M (1984) *The Policy Process in the Modern Capitalist State*, Brighton: Wheatsheaf Press

Hartell, J. G., Swinnen J.F.M, (2000) *Agriculture and East-West Integration*, Burlington: Ashgate

Harvey, D. (1996), *Justice, Nature, and the Geography of Difference*, Cambridge, Mass.: Blackwell Publishers

Harvey, D. (2000a) *Academic Excellency and Policy Relevance: Towards Reconciliation*, draft at: <http://www.ncl.ac.uk/aefm/staff/dave/IAAEpub.pdf>

Harvey, D., (2000b), *Leadership, Competition and Governance in the 21st Century*, downloaded from internet at: http://www.ncl.ac.uk/ae/m/staff/dave/DRH_research.html

Harvey, D.R. (2000), *Strategic options for Polish agriculture: a view from the UK*. In: Majewski, E., Dalton G. (eds), pp.88-102

Healey P., Gonzalez S., Vigar G. (2002), *Institutional Capacity, governance processes and Community Development in Planning and Policy Analysis*, unpublished paper, SINGOCOM Project: Centre for Research in European Urban Environments; School of Architecture, Planning and Landscape, University of Newcastle

Healey, P., Khakee, A., Motte, A., Needham, B. (1993), *Making Strategic Spatial Plans*, Cambridge: UCL Press

Heap, S.H., Hollis, M., Lyons, B., Sugden, R. and Weale, A (1992), *The Theory of Public Choice, a Critical Guide*, Oxford: Blackwell

Heffner K., (2000) *Typologia gmin wiejskich w Polsce wedlug jakosci ukladow osadniczych (Typology of ruralities in Poland by the quality of settlement patterns)*, in: Rosner, A. (ed)

Heijman W.J.M, Kooijmans J.W. Ynterna U.H. (1999) Regional welfare in Poland in comparison with present EU cohesion countries, Wageningen University: unpublished

Heller, J. (2000), *Regionalizacja obszarow wiejskich w Polsce (Regionalisation of rural areas in Poland)*, Warsaw: Institute of Agricultural and Food Economics

Henderson, J.V.; Shalizi Z; Venables A.J.(not dated) *Geography and Development*, Washington: World Bank, available at: <http://econ.worldbank.org/docs/1211.pdf>

Henry, M. S.; Schmitt, B.; P., Virginie (2001), *Spatial Econometric Models for Simultaneous Systems: Application to Rural Community Growth in France*, International Regional Science Review, vol. 24, 2, pp. 171-194

Herve, Y. (1999), *EU Regional Transfers and Macroeconomic Fiscal reactions in the Cohesion Countries*, (unpublished) Paper for the World Bank

Hilhorst, J.G.M. (1990), *Regional Studies and Rural Development*, Aldershot: Avebury

Hill, M. (ed) (1993), *The Policy Process. A Reader*, New York: Harvester Wheatsheaf

Hirschman, A.O., Lindblom, C.E. (1969), *Economic Development, Research and Development Policy Making: Some Converging Views*. In: Emery (1969)

Hodge, I. (1986), *The Scope and Context for Rural Development*, European Review of Agricultural Economics, Vol. 13, Issue 3, pp. 271-282

Hooghe, L., (1998), *EU Cohesion Policy and Competing Models of European Capitalism*, Journal of Common Market Studies, Vol. 36, No 4, pp. 357-77

- Huckfeldt, R., Beck, P.A., Dalton R, Levine J, (1998), *Ambiguity, Distorted Message, and Nested Environmental Effects on Political Communication*, The Journal of Politics, Vol. 60, Issue 4, pp. 293-311
- Hunter H., Knowles, S. (1998), *Does agriculture contribute to economic growth? Some empirical evidence*, Applied Economics, June 1998, Vol. 30, nr 6, pp. 775-787
- Hunter, F. (1953), *Community Power Structure*, Chapel Hill, NC: University of North Carolina Press
- Ihnatowicz I., Maczak B, Zientara B., Zornowski J. (1996) *Spoleczenstwo polskie od X do XX w*, Warsaw: Ksiazka i Wiedza
- Illner, M. (2002), *Multilevel Government in Three East Central European Countries and Its Reforms After 1989*, Florence: European University Institute, Working Paper RCS 2002/07, downloaded from the Web: http://www.iue.it/RSCAS/WP-Texts/02_07.pdf
- IRWiR, (ed) (2001) *Rynki wiejskie: ziemia, kapitał, praca (Rural factor markets: land, capital, labour)*, Warsaw: IRWiR-PAN
- Jalowiecki, B (1996), *Przestrzen historyczna, regionalizm, regionalizacja. (Historic space, regionalism, regionalisation)* In: B. Jalowiecki (ed) *Oblicza polskich regionow*, EUROREG, Warsaw: Warsaw University Press
- Jessop, B. (1997), *The governance of complexity and the complexity of governance: preliminary remarks on some problems and limits of economic guidance*. In Amin, Hausner (1997)
- Jozwiak W., (1999), *Ocena efektow kredytowania preferencyjnego w gospodarstwach osob fizycznych (Evaluation of subsidised credit programmes for farms)*, Zagadnienia Ekonomiki Rolnictwa, 4-5/99, p. 13-26
- Kay J., (1993), *Foundations of Corporate Success*, Oxford University Press
- Keating, M. (1997), *Is there a regional level of government in Europe?*, In: Le Gales, P, Lequesne, C. (eds) (1997)
- Keating, M. (1997), *The political economy of regionalism*. In: Keating, M, Loughlin J. (ed)
- Keating, M. (1998) *The New Regionalism in Western Europe, Territorial Restructuring and Political Change*, Cheltenham: Edward Elgar
- Keating, M., Loughlin, J. (ed) (1997), *The political economy of regionalism*, London: Frank Cass
- Keohane, R.O. and Nye, J.S. (1977) *Power and Interdependence. World Politics in Transition*, Little, Brown and Company, Boston/Toronto
- Kerlin, J. (2001), *The Politics of Decentralisation in Poland: Issues and Outcomes*, paper

prepared for presentation at the Annual Meeting of the American Political Science Association, September 2001, downloaded from the web: <http://pro.harvard.edu/papers/013/013013KerlinJane.pdf>

Knickel, K., Renting, H. (2000), *Methodological and Conceptual Issues in the Study of Multifunctionality and Rural Development*, Sociologia Ruralis, Vol. 40, issue 4, pp. 497-512

Kolarska-Bobinska, L., Rosner, A., Wilkin, J. (2001), *The Future of Rural Areas in Poland*, background paper presented at Working Group meeting "The Future Role of Agriculture in Europe", of the Akademie von Raumforschung und Landesplanung, Hanover 2000-2002

Kostova, S., Johnson, S. (2000), *Re-evaluation of Welfare Changes during the Transition in Poland*, Working Paper, 00-WP255

Krugman, P., (1991) *Geography and Trade*, Cambridge Mass.: MIT Press

Kuhn, T, (1970), *The Structure of Scientific Revolution*, Chicago: University of Chicago Press

Kulawik, J. (2000) *Polityka kredytowa a modernizacja rolnictwa (Credit policy and agricultural modernisation)*, Zagadnienia Ekonomiki Rolnictwa, 4-5/2000, pp.17-27

Kuznets S., (1964), *Economic Growth and the Contribution of Agriculture: Notes for Measurement*, in C. Eicher and Witt L (eds) *Agriculture and Economic Development*, New York: McGraw-Hill

LEADER Observatory, (2001), *Global Competitiveness of Rural Areas*, Rural Innovation - Dossier n° 6/5 - February 2001, available on internet: <http://www.rural-europe.aeidl.be/rural-en/bibli>

Leamer, E.E. (1987) *"Paths of development in the three factor, n-good general equilibrium model"*, Journal of Political Economy, 95 (5)

Lee, F. (2002), *Theory Creation and the Methodological Foundation of Post Keynesian Economics*, Cambridge Journal of Economics, Issue 26, pp. 789-804

Leibenstein, H. (1957), *Economic Backwardness and Economic Growth*, New York: Wiley

Leon, Y. (1999), *The economic analysis of rural development*, Paper presented at at IX European Congress of Agricultural Economists: Agriculture Facing the 21st Century in a Global Context, Warsaw: 24-28 August 1999

Leonardi, R. (1995) *Convergence, Cohesion and Integration in the EU*, London: Macmillan Press

Lerman, Z, Schreinerachers, P., (2002), *Individual Farming as a Labour Sink: Evidence from Poland and Russia*, paper presented at the annual meeting of American Agricultural Economics Association, Long Beach, July 2002

- Les Galès, P. (1998), *Regulations and Governance in European Cities*, International Journal of Urban and Regional Research, vol. 22/3, pp. 482-506
- Les Gales, P., Lequesne, C. (ed) (1998) *Regions in Europe*, London: Routledge
- Lewis, W.A. (1955), *The Theory of Economic Growth*, London: George Allen Ltd
- Liefferink, J. D., Lowe P.D. Mol, (1993) *European Integration and Environmental Policy*, London: Belhaven Press
- Lindberg L.N, Scheingold S.A, (1971), *Regional Integration. Theory and Research*, Harvard University Press, Cambridge (Mass)
- Lindberg, L.N., Scheingold, S.A. (1970), *Europe's Would-be Politics. Patterns of Change in the European Community*, Prentice-Hall, Englewood Cliffs
- Lindbrom, C.E., (1959), *The Science of Muddling Through*, Public Administration Review, vol. 19, Spring
- Lindbrom, C.E., (1965) *The Intelligence of Democracy*, New York: The Free Press
- Lisztwan I., Harvey D. (2001), *Understanding the EU driven policy processes in applicant countries – the case of SAPARD programme in Poland*, unpublished paper
- Little J. (1999), *Otherness, representation and the cultural construction of rurality*, Progress in Human Geography, September 1999, vol. 23, no. 3, pp. 437-442(6)
- Lodge, J. (ed), (1993), *The European Community and the Challenge of the Future*, London: Pinter
- Lodkowska-Skoneczna, G. (2002), *Ocena przyjętych kryteriów podziału środków na wspieranie rozwoju regionalnego*, Warsaw: Fundacja Edukacji Ekonomicznej, downloaded from the web at: <http://www.europa.edu.pl/topics/kryter/2002/01/15/1623227.html>
- Lovering, J. (1999), *Theory Led by Policy: The Inadequacies of the 'New Regionalism' (Illustrated from the Case of Wales)*, International Journal of Urban and Regional Research, Vol. 23, issue 2, pp. 379-397
- Lowe P., Murdoch, J., Ward N., (1995) *Networks in Rural Development: Beyond Exogenous and Endogenous Models*. In: Ploeg, Dijk (1995)
- MacDougall, D. (1977) *Report of the Study Group on the Role of Public Finance in European Integration. General Report*, Brussels: Commission of the European Communities
- MacLeod, G. (1998), *In what sense a region? Place hybridity, symbolic shape, and institutional formation in (post-) modern Scotland*, Political Geography Volume 17, Issue 7, pp. 833-863
- MacLeod, G. (2001), *New Regionalism Reconsidered: Globalization and the Remaking of*

Political Economic Space, International Journal of Urban and Regional Research, Vol. 25, issue 4, pp. 804-829

Maczak, A., Samsonowicz H., Szwarc A., Tomaszewski J. (1999) *Od plemion do Rzeczypospolitej: narod, państwo, terytorium w dziejach Polski*. Warsaw: Książka i Wiedza

Majewski, E., Dalton G. (ed) (2000), *The Strategic Option for the Polish Agri-Food Sector in the Light of Economic Analyses*, Warsaw: Warsaw Agricultural University

Manu, S. (2002), *Regional Identity and Economic Mobilisation: a European Perspective*. Paper presented at CURDS Conference, Cities and Regions in 21st Century, Newcastle-upon-Tyne, September 2002

Marks, G., Hooghe L., Blank K, (1995) *Integration theory, subsidiarity and internationalization of issues: the implications for legitimacy*, EUI Working Paper, RCS, 95/7; http://www.iue.it/RSC/WP-Texts/95_07.pdf

Marsden, T. (1995) *Beyond Agriculture: Regulating the New Rural Spaces*, Journal of Rural Studies, Vol. 11, No. 3, pp. 285-296

Marsh, D., Smith, D. (2000), *Understanding Policy Networks: Towards a Dialectic Approach*, Political Studies, Vol. 48, pp. 4-21

May, K. (1954) *Intransitivity, Utility, and the Aggregation of Preference Patterns*, Econometrica, Vol. 22, No. 1. (Jan., 1954), pp. 1-13

May, T. (1997), *Social Research: Issues, Methods and Process*, Buckingham: Open University Press

Mc Guire, M. (1974) *Group segregation and Optimal Jurisdiction*, The Journal of Political Economy, Vol. 82, Issue 1 (Jan-Feb 1974), pp. 112-132

McDonnagh J., Callanan S, Cuddy M, (2001), *Rurality, Rural classification and Policy Modulation*, IDARA Working Paper, National University of Ireland: Galway

McLean, I, (1987), *Public Choice*, Oxford: Blackwell

Meyer, G., Stiglitz, J.E. (ed), (2000), *Frontiers of Development Economics: The Future in Perspective*, Washington: World Bank

Meyhew, A. (2002), *The Negotiating Position of the European Union on Agriculture, the Structural Funds and the EU Budget*, Sussex University: SEI Working Paper nr. 52

Michna, W. (2001), *Polityka rozwoju rolnictwa i obszarów wiejskich oraz jej regionalizacja*, Warsaw: Institute of Agricultural and Food Economics

Midmore, P. (1995), *Towards a postmodern agricultural economics*, Journal of Agricultural Economics, 47 (1) pp. 1-17

Midmore, P., Whittaker, J. (2000), *Economics for Sustainable Rural Systems*, Ecological

Economics, 35 (2), pp. 173-189

Minogue, K. (1986), *Theory and practice in public policy and administration*. In Hill (ed) (1993)

Minogue, M. (2000), *Should Flawed Models of Public Management be Exported?*, Public Policy and Management Working Paper Series, Working Paper No. 15, Manchester: Institute for Development Policy and Management, downloaded from the web: http://idpm.man.ac.uk/wp/ppm/ppm_wp15.htm

Mlinar, Z. (ed) (1992) *Globalisation and Territorial Identities*, Avebury: Aldershot

Moe, T.M. (1984), *The New Economics of Organisation*, *American Journal of Political Science*, Volume 28, Issue 4, pp. 739-777

Montresor, E. (2002), *Rural Development: An Analytical Approach at Different Territorial Levels*, Paper presented at EAAE Congress "Exploring Diversity in the European Agri-Food System" Saragossa, 28-31 August

Morgan, K. (2001) *The New Territorial Politics: Rivalry and Justice in Post-Devolution Britain*, *Regional Studies*, Vol. 35.4, pp.343-348

Moss, J.E., Chilton, S.M. (1997), *A Socio-Economic Evaluation of the Mourne Mountains and Slieve Croob Environmentally Sensitive Area Scheme*, Centre for Rural Studies: the Queens University of Belfast, quoted in: Caskie, P, Davis J, Wallace, M. (2001), Targeting disadvantage in agriculture, *Journal of Rural Studies*, 17, pp. 471-479

Mosse, D., Farrington J., Rew A, (eds) (1998) *Development as Process. Concepts and Methods for Working with Complexity*, London: Routledge

Moyer H.W., Josling T., (1990), *Agricultural Policy Reform: Politics and Process in the EC and the USA*, Ames: Iowa State University Press

Murdoch, J. (1997), *Towards a geography of heterogeneous associations*, *Progress in Human Geography* 21,3, pp. 321-337

Murdoch, J., Pratt, A. (1993) *Rural studies: Modernism, postmodernism and the 'post-rural'*, *Journal of Rural Studies*, Vol. 9, issue 3, pp. 411-427

Musgrave R. and Musgrave P., (1965), *Public Finance in Theory and Practice*, New York: McGraw-Hill Company

Myrdal, G. (1957), *Economic development and underdeveloped regions*, London: Duckworth

Nijkamp, P. (1979), *Multidimensional Spatial Data and Decision Analysis*, New York: Wiley

Niskanen, W. A.(1971) *Bureaucracy and Representative Government*. New York: Aldine-Atherton.

North, D. (1990), *Institutions, Institutional Change and Economic Performance*,

Cambridge: Cambridge University Press

Nurkse, R. (1957), *Problems of Capital Accumulation in Underdeveloped Countries and Patterns of Trade and Development*, New York: Oxford University Press

Oates, W. (1972), *Fiscal Federalism*, New York: Harcourt Brace Jovanovich

OECD, (1994), *Creating Rural Indicators for Shaping Territorial Policy*, Paris: OECD

Olson, M. Jr. (1965) *The Logic of Collective Action*. Cambridge: Harvard University Press

Orillard, M. (1997), *Cognitive networks and self-organisation in a complex socio-economic environment*. In Amin, Hausner (1995)

Orlowski, W. (2000), *Koszty i korzyści z członkostwa w Unii Europejskiej. Metody-models-szacunki (Costs and benefits of Polish EU membership: methods-models-estimates)*, Warsaw: CASE

Orlowski, W. (2002), *Poland's Accession to the European Union and Prospects of Restructuring the Agriculture and Rural Areas*, research paper, Lodz: NOBE

Orlowski, W. Saganowska E., Zienkowski L. (1998) *Szacunek produktu krajowego brutto wg 16 wojewodztw za 1996 i 1997 rok (metoda uproszczona)*. Zakład Badan Statystyczno-Ekonomicznych GUS I PAN. Seria: Z Prac Zakładu Badan Statystyczno-Ekonomicznych, Zeszyt 262

Osborne, D., Gaebler, T. (eds) (1992), *Reinventing Government*, Reading: William Patrick Book

Ostojka-Ostaszewska, M. (2002), *The Creation of Regions in Poland: EU Impact on Public Administration Reform*, Florence: European University Institute, unpublished working paper

Paasi, A. (2002), *Bounded spaces in the mobile world: Deconstructing 'regional identity*, Tijdschrift voor Economische en Sociale Geografie, vol. 93, issue 2, pp. 137-148

Pacione, M. (1984) *Rural Geography*, London: Harper and Row Publishers

PAN (ed), (2001) *Rynki wiejskie: ziemia, kapital, praca*, Warsaw: PAN

Parker, A. (1995), *Decentralisation: The Way Forward for Rural Development*, World Bank Policy Research Working Paper 1475, downloaded from the web: http://econ.worldbank.org/files/742_wps1475.pdf

Pearces, D., (1970), *Ludwig Wittgenstein*, New York: Viking

Petersen, J. (1995), *Decision-making in the European Union: towards a framework for analysis*, Journal of European Public Policy, Nr. 2, Issue 1, pp. 69-93

Petrakos, G. (2001), *Patterns of regional inequality in transition economies*, European Planning Studies, Vol. 9, No. 3, pp. 359-382

- Pezzini, M. *Rural Policy Lessons from OECD Countries*, International Regional Policy Review 24; 1: 134-145 (January 2001)
- Piecek, B. (2002) *Wiejskie obszary problemowe z punktu widzenia infrastruktury*, IRWiR: PAN Warsaw (unpublished paper)
- Piskorz W. (2001), *Szanse i wyzwania dla polskiej wsi i rolnictwa wynikające z akcesji Polski do UE. (Opportunities and challenges for Polish agriculture and rural development springing from Polish EU accession)*. In: Szomburg (ed) (2000), pp. 66-85
- Platt J. (1981), *Evidence and proof in documentary research*, Sociological Review
- Ploeg, (et al), (2000), *Rural Development: From Practices and Policies towards Theory*, Sociologia Ruralis, vol. 40, issue 4, pp. 391-409
- Ploeg, J.D., Dijk, G. (eds) (1995), *Beyond Modernisation, The Impact of Endogenous Rural Development*, Assen: Van Gorcum
- Ploeg, J.D., Saccomandi, V. (1995), *On Impact of Endogenous Development in Agriculture*. In: van der Ploeg, J.D, Dijk, G. (eds) (1995), *Beyond Modernisation, The Impact of Endogenous Rural Development*, Assen: Van Gorcum
- Podrecca, E., Carmeci, G. (2001), *Fixed investment and economic growth: new results on causality*, Applied Economics, Feb. 10, Vol. 33, issue 2, pp. 177-187
- Pollit, C. (1990a), *The development of management thought*. In: Hill, M. (1993) *The Policy Process: A Reader*, New York: Harvester
- Pollitt, C. (1990b) *Managerialism and the Public Services: the Anglo-American Experience*. Oxford: Blackwell
- Polsby, N.W (1963), *Community Power and Political Theory*, New Haven, Conn.: Yale University Press
- Porter, M.E. (1990) *The Competitive Advantage of Nations*, London: Macmillan Press Ltd
- Powell, M. Boyne G., (2001) *The Spatial Strategy of Equality and the Spatial Division of Welfare*, Social Policy and Administration, Vol. 35.2, pp. 181-194
- Prigogine I., Stengers I., (1984), *Order out of Chaos*, Toronto: Bantam Books
- Prudhomme, R., (1995), *The Dangers of Decentralisation*, The World Bank Research Observer, 10:2, 201-20
- Putnam, R. (1993), *Making Democracy Work: Civic Traditions in Modern Italy*, Princeton: Princeton University Press
- Raagmaa G., (2002), *Regional Identity in Regional Development and Planning*, European Planning Studies, vol. 10 No.1, pp.55-76

- Radelli, C. (2000), *Wither Europeanization, Concept Stretching and Substantive Change?* European Integration On-Line Papers 4(8)
- Ray, C. (2002), *A mode of production for fragile rural economies: the territorial accumulation of forms of capital*, Journal of Rural Studies, 18 (2002), pp. 225-231
- Regulski, J. (1999), *Building Democracy in Poland: The State Reform of 1998*, Budapest: Local Government and Public Service Reform Initiative, Working Paper nr 9, downloaded from the web: <http://lgi.osi.hu/publications/1999/41/9.PDF>
- Reiner M. (1999) *The Regional Dimension in the European Public Policy. Convergence or Divergence*. London: Macmillan Press
- Rhodes, R.A. (1986) *The National World of Local Development*, London: Allen and Unwin
- Richardson J.J., and Jordan, A.G. (1979) *Governing Under Pressure*. Oxford: Martin Robertson
- Richardson, T. (2000), *Discourses of Rurality in EU Spatial Policy: The European Spatial Development Perspective*, Sociologia Ruralis, Vol. 40, issue 1, pp. 53-72
- Ritzen, J, Easterly, W., Woolcock, M., (not dated), *On "Good" Politicians and "Bad" Policies: Social Cohesion, Institutions and Growth*, World Bank
- Robinson, L. (2000), *Social capital: sympathy, socio-emotional goods, and institutions*, Michigan State University: Staff Paper No. 00-45
- Roca, Z. (2000), *Local Identity, Globalisation and Rural Development*, paper presented at European Rural Development Policy at the Crossroads Conference, Aberdeen, June 2000
- Rodriguez-Pose, A, Gill. N., (2002), *The global trend towards devolution and its implications*, Research Papers in Environmental and Spatial Analysis No. 72, London School of Economics: Department of Geography and Environment
- Rogers, D., Whetten D.A. (1982), *Interorganisational Coordination: Theory, Research and Implementation*, Ames: Iowa State University
- Romer, P. (1986), *"Increasing Returns and Long-Run Growth"*, Journal of Political Economy, 94 (Oct), pp. 1002-1037
- Rondinelli, D. (1981), *Government Decentralisation in Comparative Perspective: Theory and Practice in Developing Countries*, International Review of Administrative Science 47
- Roniger, L. (2002), *Clientelism and Civil Society in Historic Perspective*. Paper prepared for the workshop on Demokratie und Sozialkapital – die Rolle zivilgesellschaftlicher Akteure, Berlin: June 2002, downloaded from the web: <http://www.wz-berlin.de/zkd/poem/pdf/roniger.pdf>

- Rosenstein-Rodan, P. (1943), *Problems with Industrialisation of Eastern and South-Eastern Europe*, Economic Journal, 53, pp. 202-211
- Rosner A. (ed) (1999), *Typologia wiejskich obszarow problemowych (Typology of Polish rural problem areas)*, Warsaw: Polish Academy of Science, Institute of Development of Agriculture and Rural Areas (IRWiR)
- Rostov, W. (1960), *The Stages of Economic Growth: A Non-Communist Manifesto*, Cambridge: Cambridge University Press
- Rowinski, Wigier (2001) *Profile wojewodztw w Polsce: rolnictwo*, Warsaw: IBnGR
- Ruttan, V. (1998), *Growth Economics and Development Economics: What Should Development Economists Learn (if Anything) from the New Growth Theory?*, Bulletin nr 98-4, University of Minnesota
- Rynck, S., MacAleavy, P. (2001), *The Cohesion deficit in the Structural Funds Policies*, Journal of European Public Affairs, Vol. 8, issue 4, pp. 541-557
- Sabatier, P, Jenkins-Smith (eds) (1993), *Policy Change and Learning. An Advocacy Coalition Approach*, Boulder: Westview Press
- Sachs, W. (1992), *The Development Dictionary: A Guide to Knowledge as Power*, London: Zed Books
- Saraceno, E. (1994a) *Alternative readings of spatial differentiation: The rural versus the local economy approach in Italy*, European Review of Agricultural Economics 21-3/4, 451-474
- Saraceno, E (1994b) *Recent Trends in Rural development and their Conceptualisation*, Journal of Rural Studies, Vol.10, No.4. pp 321-330
- Saraceno, E. (1999), *The LEADER Way to Job Creation*, LEADER Magazine Nr 20, Spring
- Saraceno, E. (2002), *Rural Development Policies and the Second Pillar of Common Agricultural Policies*, paper presented at EAAE Congress "Exploring Diversity in the European Agri-Food System" Saragossa, 28-31 August
- Scharft, F. (2000) *Notes Towards a Theory of Multilevel Governing in Europe*, MpiFG Discussion paper, Nov. 2000; http://www.mpi-fg-koeln.mpg.de/pu/mpifg_dp/dp00-5.pdf
- Schedler, P., Folke, G., (2001) *Communicating policy in late modern society: on the boundaries of interactive policy making*, Policy and Politics, Vol. 29, Issue 3, pp. 337-351
- Schmitt B. (1999), *Dynamics of Rural Geography: Some French Regions*, Regional Studies: The Journal of the Regional Studies Association, 1 November 1999, vol. 33, no. 8, pp. 697-711(15)
- Schwartz, J. (1984), *Participation and Multisubjective Understanding: An Interpretivist*

- Approach to the Study of Political Participation*, The Journal of Politics, Vol. 46, Issue 4, pp. 1117-1141
- Scott, J. (1990) *A Matter of Record: Documentary Sources in Social Research*, Cambridge: Polity
- Scott, J. (1995), *Development Dilemmas in the EC – Rethinking Regional Development Policy*, Oxford: Open University Press
- Searle, J.R. (1969) *Speech Acts*, . Cambridge: Cambridge University Press
- Sen, M. (1987), *Development: Which Way Now?*, Economic Journal, 93 (Dec), pp. 745-62
- Shapiro, I. (2002), *Problems, Methods, and Theories in the Study of Politics, or What's Wrong with Political Science and What to Do about It*, Political Theory, Vol. 30, issue 4, pp. 596-608 (Special Issue: What is Political Theory)
- Shepherd, A. (1998), *Sustainable Rural Development*, Houndmills: Macmillan Press
- Siekierski Cz. (2000), *Polityka rozwoju obszarow wiejskich w Polsce (Polish rural development policies)*. In: Majewski, Dalton (2000)
- Sikorska, A. (2001) *Przedsiębiorczosc na wsi w swietle ankiety IERGiGZ 2000 (Rural enterprise development in the light of IERGiGZ survey)*, Warsaw: Institute of Agricultural and Food Economics, Zeszyt 472
- Slee, B. (1994) *Theoretical aspects of the study of endogenous development*. In: Ploeg, J.D. van der and Long, A. (eds.) *Born from within; Practice and perspectives of endogenous rural development*, Van Gorcum, Assen, pp. 184-194
- Smith A. (1991) *National Identity*, London: Penguin
- Smyrl, M. (1997), *Does EU Regional Policy Empower the Regions*, Vol. 10, issue 3, pp. 287-311
- Solow, R. (1957), *Technical Change and Aggregate Production Function*, Review of Economics and Statistics, 39, 312-320
- Sommers, J. (2001) *The price of change – implementation structures of SAPARD in CEECs*, paper presented on ACE seminar on Sustainable Agriculture in Central and Eastern Europe, Nitra, 10-16 September 2001
- Stiglitz, M. (1989), *Markets, Market Failures and Economic Development*, American Economic Review 79, pp. 197-203
- Storti, D (2000), *Case study: the multifacets of rurality in Italy*, Paper presented at International Conference: European Rural Policy at the Crossroads, Aberdeen, 29 June – 1 July 2000, downloaded from: <http://www.abdn.ac.uk/arkleton/conf2000/papers.htm>
- Strange, S. (1988), *States and Markets*, London: Pinter Publishers
- Swain, N. (2000), *Post-Socialist Rural Economy and Society in the CEECs: the Socio-*

Economic Contest for SAPARD and EU Enlargement, paper presented at European Rural Policy at the Crossroads Conference, Aberdeen: June 2000

Swinnen, J.F., Gow, H.R. (1999) *Agricultural credit problems and policies during the transition to a market economy in Central and Eastern Europe*, Food Policy 24 (1999), 21-47

Szemberg A, (1999), *Spoleczno-ekonomiczne regiony rolnictwa i obszarow wiejskich (Social and economic regionalisation of agriculture and rural development)*, Warsaw: Institute of Agricultural and Food Economics

Szomburg, J. (ed) (2000), *Rolnictwo i wieś: wyzwania regionalne i integracyjne (Agriculture and rural areas: challenges of regional development and of EU integration)*, Warsaw: Instytut Badań nad Gospodarką Rynkową

Szomburg, J. (ed), (2000), *Rolnictwo i wies. Wyzwania Regionalne i Integracyjne*, Warsaw: Instytut Badan nad Gospodarka Rynkowa

Temple, J. (1999), *The New Growth Evidence*, Journal of Economic Literature, vol. XXXVII, pp. 112-156

Terluin I., Post, J. (2001), *Key Messages of Employment Dynamics of Leading and Lagging Regions of the EU*, paper presented at „European Rural Development: Problems, Chances, Research Needs” workshop, IAASA network, Warsaw 7-9 May 2001

Terluin, I. (2000), *Theoretical Framework of Economic Development in Rural Regions*, Paper presented at International Conference: European Rural Policy at the Crossroads, Aberdeen, 29 June – 1 July 2000, downloaded from: <http://www.abdn.ac.uk/arkleton/conf2000/papers.htm>

Terluin, I. (2001), *Rural regions in the EU: exploring differences in economic development*. Nederlands Geographical Studies, 289, Utrecht/Groningen

Terluin, I., Venema G. (2003), *Towards regional differentiation of rural development policy in the EU*, The Hague: Agricultural Economics Research Institute (LEI)

Teune H. (1992) *Multiple group loyalties and the security of political communities*. In Mlinar (1992)

Thirwall, A.P, (1994), *Growth and Development*, London: Macmillan

Tiebout, C. (1956), *A Pure Theory of Local Expenditure*, Journal of Political Economy, 64, 416-424

Topolski F. (1975), *Historia Polski (History of Poland)*, Warsaw: PWN

Tulder, R., Ruigrok, W. (1997) *The nature of institutional change: managing rival dependencies*. In: Amin, Hausner (1997)

Tullock, G, (1976), *The economic theory of bureaucracy*. In: Hill (1993)

- Van Dijk, T.A. (1977), *Text and Context. Exploration in Semantics and Pragmatics of Discourse*, London: Longman
- Wallace, H and Wallace, W. (eds), (1995) *Policy Making in the European Union*, Oxford: Oxford University Press
- Weatherford M.S. (1992), *Measuring Political Legitimacy*, The American Political Science Review, Vol. 86, nr 1, pp. 149-166
- Weber, M. (1993). *Rational-legal authority and bureaucracy*. In: Hill (1993), pp. 323-327
- Weesp J.V. (1999) *Preface to the Special Issue: Rural Geography*, Tijdschrift voor Economische en Sociale Geografie, July 1999, vol. 90, no. 3, pp. 239-239(1)
- Williamson, O.E. (2000), *The New Institutional Economics. Taking Stock. Looking Ahead*, Journal of Economic Literature 38 (3), 595-613
- Wilson, J. (1990) *Politically Speaking: the Pragmatic Analysis of Political Language*, Cambridge MA: Blackwell
- Winters, P., de Janvry A., Sadoulet E, Stamoulis K. (1998), *The role of agriculture in economic development: visible and invisible surplus transfers*, Journal of Development Studies, Vol. 34, nr. 5, pp. 71-99
- World Bank, (2000), *The Quality of Growth*, World Bank: available on the internet: www.worldbank.org/html/extdr/quality
- Yeung, H.W.C. (1997), *Critical realism and realist research in human geography: a method or a philosophy in search of a method?*, Progress in Human Geography, March 1997, vol. 21, no. 1, pp. 51-74(24)
- Zaleski, J., Dzedzyk J. (2001), *Wstepna analiza problemow kompetencyjnych miedzy administracja rzadowa a trzema szczeblami wladzy samorzadowej (Introduction to the analysis of problems in competences between the central, regional and local authorities)*, Warsaw: National System of Preparation for Structural Funds, available on the web: <http://www.europa.edu.pl//topics/publikacje/2002/10/16/2720644.html>
- Zawalińska, K., (2002) *Poland: an analysis of competitiveness at the farm level*. In: Davidova (ed) (2002)
- Zdaniuk, B, Levine, J. (2001), *Group Loyalty: Impact of Members' Identification and Contributions*, Journal of EXperimental Social Psychology 37, pp. 502-509

University of Newcastle-upon-Tyne
School of Agriculture, Food and Rural Development

Regional Dimensions in Rural Development Policies? The Case of Poland in the EU

Ph.D. Thesis

by

Iwona Lisztwan

Supervisor: Prof. David Harvey

Part 2: Appendices

List of Appendices

- Appendix 1 Past studies of spatial dimension in Polish rural areas
- Appendix 2 Basic rural and regional statistics for Polish regions
- Appendix 3 Correlations between major rural variables (at NUTS 2 level)
- Appendix 4 List of indicators used in the spatial analysis
- Appendix 5 ANOVA: typology of Polish regions (by groups of rural resource index)
- Appendix 6 ANOVA: classes of regions in terms of rural business development
- Appendix 7 ANOVA: characteristics of clusters of ruralities
- Appendix 8 Factor analysis of regions (options)
- Appendix 9 Rural resource structure: web diagrams for regions
- Appendix 10 Cluster analysis of ruralities (options)
- Appendix 11 Rural regional profiles (options)
- Appendix 12 Regional distribution of ARMA national rural development schemes
- Appendix 13 Participant observation: activities in brief
- | Appendix 14 List of semi-structured interviews
- Appendix 15 Regional development strategies
- Appendix 16 Guide for the semi-structured interviews

Appendix 1

Past studies of spatial dimension of Polish rural areas

Szemberg (1999) classified rural areas in Poland based on the following criteria: farm structure, share of private farmland, population per farm, population with mainly farm income; total share of rural population, rural landless population, infrastructure development, intensity of agricultural production, tractor per farm, value marketable production per farm, and finally, average total farm sales. The resultant classification into 7 megaregions however, reveals lack in discipline. The aggregation of criteria is not explicit neither is the objective of such classification.

Heller (2000) categorised Polish rural regions, in terms of what he labeled as standards of living, yet measured in purely agricultural terms of gross value added per hectare, which Heller calls also "socio-economic potential of rural areas". A regression analysis of value added per hectare with independent variables of intensity of agricultural production, population density, and unemployment, led Heller to determine relative their weights and arrive at three compounded megaregions with the fourth subregion. The first megaregion (I, marked black on the map) features high population density; the second megaregion (II, marked gray on the map) is characterised by high (registered) unemployment, and the third megaregion (III, marked white on the map) has a high intensity of agricultural production. The fourth subregion (marked light gray on the map) is that of "Eastern part of Poland". Though Heller (2000) called for a regional dimension of rural development policies, his methodology lacks non agricultural angle, rigour and finally does not lead to clear policy recommendations.

Michna (2001) developed yet another divisions of regions, largely on arbitrary or indeed, undisclosed criteria, arriving at three megaregions, aggregated of the present voivodships (cf. Map 3.3.2). He (2001:52) described megaregions in the following way: "megaregion 1 (marked gray on the map) is characterized with very small farms and expectations of rural population for non-agricultural employment; megaregion 2 (marked gray on the map) features big farms that need to have clarified ownership rights, and, defined concepts for development. megaregion 3 (marked white on the map) has medium farms, with slow evolution but expectation for state impulses for transformation or productive growth. A large body of Michna's analysis is prescriptive in nature with little justification or explicit methodological foundations

Rosner (ed) (1999) made a comprehensive descriptive analysis of Polish rural areas across regions in terms of economic development, demographic trends, infrastructure levels, settlement patterns, and natural environment at the commune level, employing clusters analysis. In particular, Rosner (1999, cf. Map 3.3.5.) produced an economic analysis of communes based on the following indicators: registered unemployment, hidden unemployment in farming, percentage of farm with marketable production, number of registered economic units, percentage of farms with diversified economic activities outside agriculture, and local tax revenue arriving at five classes of communities. This research is useful in that it involves methodological statistical analysis demonstrated on visual representations. However, no aggregations or analysis at the regional (voivodship) level are carried out. No policy implications are given. Most data is also quite outdated (as of 1996).

Heijman (et al) (1999) performed regional analysis of Polish "small voivodships" ranking them in terms of their level of development. The analysis, measuring the level of

Appendix 1: Past studies of spatial dimension of Polish rural areas

development in three ways, namely with a traditional method (GDP per capita), an economic method (as indicated by GDP per capita and unemployment), and, finally, an extended method (based on ten socio-economic indicators of income, health, welfare and education). The scores depend on the method. Finally, the principal component analysis used for an extended method revealed that regions with bigger cities and regions in the West of Poland tend to score higher than those in the East. The distinct advantage of the study, which examines the regional, rather than purely rural circumstances, is that it offers a strict methodological grounding.

Recent Polish policy documents, such as *Coherent Structural and Rural Development Policy* (MARD: 1999), encompass the regional dimension in its analytical part (cf. Map 3.3.3.). Three supraregions (megaregions I, II, III) are differentiated based around big (II), medium (III) and small farm (I) structure patterns. Additional subregional structures (a, b) in the small-farm megaregion (I) are identified based on the level of development of non-agricultural enterprises. In the medium-size farm megaregion (III), three subregions are delimited based on the level of agricultural culture and technical progress (a, b, c). No direct policy implications are identified based on this analysis.

Appendix 2
Basic rural and regional statistics for Polish regions

	% of rural population	Density of rural population (per sq km)	GDP per capita (PLN, 1999)	Registered rural unemploy ment (%)	Value added of agriculture/ person employed	Agricultural labour per 100ha	Average farm size (ha)	Agricultural land per tractor	Registered Rural economic units per cap	Commune own revenue (G index)	% of environmental ly protected areas
DOLNOSL	29	64.94	16273	19.90	11.084	13.66	12.65	17.60	52.9	305.1	20.10
KUJ-POM	38	58.82	14121	20.40	6.726	17.17	12.35	13.50	45.0	202.0	31.00
LUBEL	53	53.19	11112	14.50	5.456	29.50	6.52	11.60	33.2	156.4	22.70
LUBUS	35	45.05	14444	23.10	23.362	9.90	17.13	26.20	51.5	220.6	36.90
ŁÓDŹ	35	62.11	14497	17.10	5.646	27.26	6.65	11.00	45.6	207.4	16.30
MALOPOL	50	136.99	14231	13.20	4.451	53.98	3.31	8.70	46.1	179.8	58.20
MAZOW	36	63.29	23760	12.10	8.928	24.65	7.39	13.20	50.4	208.7	29.60
OPOL	48	90.91	13320	16.50	16.095	18.07	11.43	13.10	40.2	240.7	27.10
PODKARP	59	79.37	11685	16.40	4.663	46.92	3.79	9.60	37.4	142.9	47.60
PODL	41	31.55	11580	14.10	5.888	18.88	11.42	14.20	36.0	155.8	31.90
POMOR	32	46.95	16120	18.80	12.306	11.88	16.07	19.80	48.7	207.1	32.40
SLASKIE	21	98.04	17565	14.80	19.308	33.76	4.31	10.50	58.5	238.6	22.20
SWIETOK	54	76.92	12435	17.30	5.014	39.62	4.93	10.50	35.8	175.5	50.20
WAR-MAZ	40	33.90	12341	27.10	15.351	8.92	22.38	26.30	35.4	203.8	53.10
WIELKOPOL	42	70.42	16747	13.80	13.116	18.36	11.96	13.20	50.6	231.3	31.30
ZACH-POM	30	39.22	15924	22.50	15.736	7.23	26.72	30.50	56.5	239.6	20.20

Basic

Appendix 2: Basic rural and regional statistics for Polish regions

REGION	Water provision to rural dwellings	Sewage provision (%)	Road density (per sq km)	Rural telephone subscribers (per 100) (%)	Share of agricul in regional employ (%)	Share of services in regional employ (%)	Share of industry in regional empl (%)
DOLNOSL	99.60	1.79	.260	14.8	15.80	58.00	26.20
KUJ-POM	90.20	1.31	.300	13.2	25.40	49.90	24.70
LUBEL	63.70	.93	.360	13.7	30.60	43.80	25.60
LUBUS	92.40	.72	.210	10.3	50.10	36.40	13.50
LÓDZ	67.70	.94	.410	12.6	17.00	57.40	25.60
MALOPOL	92.60	1.52	.500	13.5	34.20	46.40	19.50
MAZOW	66.30	.92	.330	14.5	24.20	56.70	18.60
OPOL	99.90	1.76	.270	12.8	28.00	47.20	24.80
PODKARP	85.60	2.44	.320	12.6	45.60	35.80	18.50
PODL	71.50	1.53	.290	15.5	44.80	40.00	15.10
POMOR	99.00	2.49	.220	11.7	15.30	60.70	24.00
SLASKIE	95.00	2.09	.500	13.1	11.20	54.50	34.40
SWIETOK	64.10	1.34	.360	10.3	46.80	36.40	16.90
WAR-MAZ	89.90	1.59	.170	10.2	24.20	53.30	22.40
WIELKOPOL	90.60	1.56	.290	15.1	25.90	47.60	26.50
ZACH-POM	100.00	3.30	.210	11.7	15.20	62.00	22.80

Appendix 3

Correlations between major variables behind agricultural and rural regional differentiation in Poland (at voivodship level)

(* Correlation is significant at the 0.05 level (2-tailed); ** Correlation is significant at the 0.01 level (2-tailed).

Appendix 3: Correlation : basic rural variables (at regional level)

	RUR_ POP	POP_ DEN	VA_M_ SER	GDP_ CAP	UNEEMP	AGR_ VAL_ EMP	AGR_ EMPL_ LAND	FARM_ SIZE	TRAC	BUS_ _DEN	WATER	ROAD	TEL	COM_ _REV	ENV_ _AREA	SH_ _AGR _LAB	SH_ _SER_ _LAB
RUR_ POP	1.000																
POP_ DEN	.244	1.000															
VA_M_ SER	-.466	-.017	1.000														
GDP_ CAP	-.582*	.096	.901**	1.000													
UNEEMP	-.444	-.334	-.256	.046	1.000												
AGR_ VAL_ EMP	-.581*	-.192	.072	.261	.544*	1.000											
AGR_ EMPL_ LAND	.555*	.771**	-.161	-.159	-.525*	-.590*	1.000										
FARM_ SIZE	-.405	-.676**	-.087	.012	.664**	.560*	-.859*	1.000									
TRAC	-.430	-.654**	-.101	.049	.716**	.636**	-.786**	.953**	1.000								
BUS_ _DEN	-.797**	.138	.488	.724**	.268	.549*	-.257	.223	.281	1.000							
WATER	-.410	.153	-.209	.090	.591*	.608**	-.349	.483	.440	.533*	1.000						
ROAD	.101	.762**	.146	.089	-.569*	-.399	.818**	-.836**	-.789**	.077	-.314	1.000					
TEL	-.050	.167	.461	.275	-.531*	-.350	.120	-.354	-.478	.113	-.120	.299	1.000				
COM_REV	-.704**	.007	.308	.491	.497	.595*	-.530*	.388	.370	.712**	.604**	-.233	.085	1.000			
ENV_AREA	.570*	.303	-.428	-.322	.038	-.214	.451	-.139	-.083	-.445	-.019	.031	-.378	-.497	1.000		
SH_AGR_ _EMP	.698**	.010	-.404	-.497	-.401	-.225	.334	-.249	-.156	-.565*	-.365	-.048	-.166	-.620*	.585*	1.000	

Appendix 4: List of indicators used in the spatial analysis

Appendix 4

List of indicators used in the spatial analysis

Indicator	Level of data availability		Use in rural resource index*	Use in commune cluster analysis
Resource variables				
Agricultural labour per 100 ha (1996)	R		X	
Average farm size (R: 1999; C: 1996)	R	C	X	X
% of environmentally protected areas (2000)	R		X	
Telephone subscribers per 100 rural population (1999)	R	C	X	X
% of rural households connected to main water system (R: 2001; C: 1999)	R	C	X	X
Density of local paved roads (1999)	R	C	X	X
Rural population density (2000)	R	C	X	X
Index of natural conditions for agricultural production		C		X
Value added per agricultural employee/worker	R		X	
Registered rural businesses (REGON) per 1000 population (R: 1999; C: 2000)	R	C	X	X
Registered rural unemployment (R: 2001; D: 2000)	R	D	X	X
Rural commune own revenue (G index) (2000)	R	C	X	X
Exogenous (regional) variables				
Share of rural (%) in population (1999)	R		X	
GRP/capita (1999)	R			
Share of agriculture in employment (R: 1999; C: 2001)	R	C		X
Share of non market services in employment (R: 1999; C:2001)	R	C		X

Appendix 5: Anova: rural regions (by groups of rural resource index)

Appendix 5:
ANOVA: typology of Polish rural resource and structures (groups of regions by rural resource index)

		Sum of Squares	df	Mean Square	F	Sig.
AG_EM_HA	Between Groups	2323.350	3	774.450	16.001	.000*
	Within Groups	580.799	12	48.400		
	Total	2904.150	15			
WAT_UPDA	Between Groups	2045.234	3	681.745	9.930	.001*
	Within Groups	823.855	12	68.655		
	Total	2869.089	15			
FARM_SIZ	Between Groups	503.142	3	167.714	10.793	.001*
	Within Groups	186.466	12	15.539		
	Total	689.608	15			
UN_RUR_2	Between Groups	400.986	3	133.662	11.282	.001*
	Within Groups	142.164	12	11.847		
	Total	543.150	15			
SH_RUR_P	Between Groups	.106	3	3.539E-02	7.572	.004**
	Within Groups	5.608E-02	12	4.674E-03		
	Total	.162	15			
VA_AG_E	Between Groups	336.836	3	112.279	7.285	.005**
	Within Groups	184.942	12	15.412		
	Total	521.778	15			
M_SER_VA	Between Groups	119.482	3	39.827	2.619	.099
	Within Groups	182.515	12	15.210		
	Total	301.998	15			
GDP_C	Between Groups	35402280.071	3	11800760.024	1.288	.323
	Within Groups	109971479.367	12	9164289.947		
	Total	145373759.438	15			
POP_DEN	Between Groups	4993.273	3	1664.424	3.337	.056
	Within Groups	5985.312	12	498.776		
	Total	10978.584	15			
COM_POP	Between Groups	320.661	3	106.887	1.971	.172
	Within Groups	650.846	12	54.237		
	Total	971.507	15			
ROAD	Between Groups	7.541E-02	3	2.514E-02	4.649	.022
	Within Groups	6.489E-02	12	5.407E-03		
	Total	.140	15			
TEL	Between Groups	13.784	3	4.595	1.948	.176
	Within Groups	28.307	12	2.359		
	Total	42.091	15			
COM_REV	Between Groups	14091.237	3	4697.079	5.339	.014
	Within Groups	10558.013	12	879.834		
	Total	24649.250	15			
ENVIRON	Between Groups	799.644	3	266.548	1.939	.177
	Within Groups	1649.826	12	137.486		
	Total	2449.470	15			
SHAGR_EM	Between Groups	700.447	3	233.482	1.655	.229
	Within Groups	1693.382	12	141.115		
	Total	2393.829	15			
SHSER_EM	Between Groups	430.360	3	143.453	2.303	.129
	Within Groups	747.415	12	62.285		
	Total	1177.774	15			

* significant at 1%, **significant at 5%; Source: own calculation

Appendix 6: Anova: groups of regions by business development

Annex 6

ANOVA: classes regions in terms of rural business development

		Sum of Squares	df	Mean Square	F	Sig.
GDP_C	Between Groups	88122131.354	3	29374043.785	6.157	.009
	Within Groups	57251628.083	12	4770969.007		
	Total	145373759.438	15			
COM_REV	Between Groups	11691.650	3	3897.217	3.609	.046
	Within Groups	12957.600	12	1079.800		
	Total	24649.250	15			
SHAGR_EM	Between Groups	991.269	3	330.423	2.827	.083
	Within Groups	1402.561	12	116.880		
	Total	2393.829	15			
SHSER_EM	Between Groups	491.687	3	163.896	2.867	.081
	Within Groups	686.088	12	57.174		
	Total	1177.774	15			
VA_AG_E	Between Groups	209.370	3	69.790	2.681	.094
	Within Groups	312.408	12	26.034		
	Total	521.778	15			
POP_DEN	Between Groups	684.977	3	228.326	.266	.848
	Within Groups	10293.608	12	857.801		
	Total	10978.584	15			
M_SER_VA	Between Groups	105.985	3	35.328	2.163	.145
	Within Groups	196.012	12	16.334		
	Total	301.997	15			
IND_VA_L	Between Groups	206.994	3	68.998	2.349	.124
	Within Groups	352.466	12	29.372		
	Total	559.460	15			
AG_EM_HA	Between Groups	344.394	3	114.798	.538	.665
	Within Groups	2559.755	12	213.313		
	Total	2904.150	15			
UN_RUR_2	Between Groups	31.937	3	10.646	.250	.860
	Within Groups	511.212	12	42.601		
	Total	543.150	15			
FARM_SIZ	Between Groups	59.751	3	19.917	.379	.770
	Within Groups	629.856	12	52.488		
	Total	689.608	15			
TRAC_HA	Between Groups	96.801	3	32.267	.679	.582
	Within Groups	570.628	12	47.552		
	Total	667.429	15			
WAT_UPDA	Between Groups	558.446	3	186.149	.967	.440
	Within Groups	2310.643	12	192.554		
	Total	2869.089	15			
WATER	Between Groups	9.931	3	3.310	.298	.826
	Within Groups	133.219	12	11.102		
	Total	143.151	15			
ROAD	Between Groups	1.995E-02	3	6.650E-03	.663	.591
	Within Groups	.120	12	1.003E-02		
	Total	.140	15			
TEL	Between Groups	3.817	3	1.272	.399	.756
	Within Groups	38.274	12	3.189		
	Total	42.091	15			
ENVIRON	Between Groups	535.922	3	178.641	1.120	.379
	Within Groups	1913.548	12	159.462		
	Total	2449.470	15			
SHIND_EM	Between Groups	107.554	3	35.851	1.421	.285
	Within Groups	302.725	12	25.227		
	Total	410.279	15			

Appendix 7: Anova: characteristics of clusters of communes

Annex 7

ANOVA : characteristics of clusters of communes (groups of ruralities)

		Sum of Squares	df	Mean Square	F	Sig.
Population density (per ha)	Between Groups	61.185	4	15.296	276.558	.000
	Within Groups	110.618	2000	5.531E-02		
	Total	171.802	2004			
Companies per 1000 population	Between Groups	259440.891	4	64860.223	266.875	.000
	Within Groups	486072.660	2000	243.036		
	Total	745513.551	2004			
Unemployment rate in district	Between Groups	38795.206	4	9698.801	436.216	.000
	Within Groups	44467.891	2000	22.234		
	Total	83263.096	2004			
Telephone	Between Groups	1818910.241	4	454727.560	148.685	.000
	Within Groups	6116673.929	2000	3058.337		
	Total	7935584.170	2004			
WATER	Between Groups	99555.945	4	24888.986	40.992	.000
	Within Groups	1214335.271	2000	607.168		
	Total	1313891.216	2004			
Index of natural conditions for agriproduction	Between Groups	125945.939	4	31486.485	234.234	.000
	Within Groups	268846.974	2000	134.423		
	Total	394792.913	2004			
Farm size (ha)	Between Groups	24457.660	4	6114.415	377.195	.000
	Within Groups	32420.432	2000	16.210		
	Total	56878.092	2004			
% of employed in manufacturing	Between Groups	15.976	4	3.994	117.234	.000
	Within Groups	68.138	2000	3.407E-02		
	Total	84.114	2004			
% of employed in non market services	Between Groups	22.842	4	5.711	266.488	.000
	Within Groups	42.858	2000	2.143E-02		
	Total	65.701	2004			
% of employed in market services	Between Groups	2.907	4	.727	69.119	.000
	Within Groups	21.031	2000	1.052E-02		
	Total	23.938	2004			

Annex 8
Factor analysis of regions - options

OPTION 1: only endogenous rural variables

KMO and Bartlett's Test	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.427
Bartlett's Test of Sphericity	Approx. Chi-Square 164.700
	df 66
	Sig. .000

Attribute	Component				Commonality
	1	2	3	4	
TRACTORS	.963	- 5.210E-02	.119	- 3.221E-02	.945
FARM SIZE	.958	- 5.407E-02	- 4.321E-03	-.127	.936
AGRI EMPLOY/LAND	-.885	- 6.693E-02	.433	6.847E-02	.980
ROAD PER HEAD	-.859	.309	.147	.189	.891
UNEMPLOYMENT	.841	-.241	.243	.230	.877
POPUL DENSITY	-.690	.427	.459	.132	.886
AGRI VALUE PER LABOUR	.680	.472	1.698E-02	.372	.823
COMMUNE REVENUE	.482	.752	- 9.033E-02	- 1.108E-02	.807
COMPANIES	.286	.871	.113	- 6.018E-02	.857
TELEPHONE	-.445	.330	-.491	-.640	.959
SEWAGE	.324	.232	.483	-.376	.533
WATER	-.233	.233	-.586	.520	.721
Eigenvalue	5.682	2.110	1.331	1.092	
Variance	47.350	17.582	11.093	9.096	
Cumulative	47.350	64.931	76.024	85.120	

Clear factors:
1: farm and settlement pattern;
2: business development;
3: infrastructure

Appendix 8: Factor analysis of regions (options)

OPTION 2 – endogenous variables plus urbanisation

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.445
Bartlett's Test of Sphericity	Approx. Chi-Square 193.130
	df 78
	Sig. .000

Attribute	Component				Commonality
	1	2	3	4	
TRACTOR	.951	-.158	.122	- 3.212E-02	.945
FARM SIZE	.944	-.162	5.034E-03	-.127	.933
AGRI LABOUR/LAND	-.896	- 1.064E-02	.414	6.936E-02	.979
UNEMPLOYMENT	.812	-.332	.225	.231	.873
ROAD PER HEAD	-.812	.422	.151	.189	.896
AGRI VALUE /LABOUR	.716	.371	7.408E-02	.371	.793
POPUL DENSITY	-.664	.418	.499	.132	.883
RURAL POP RURAL POPULA	-.579	-.689	.109	- 2.314E-03	.822
COM REV COMMUNE REVENUE	.551	.681	- 1.093E-02	- 1.250E-02	.768
COMPANIES	.378	.845	.185	- 6.102E-02	.896
WATER	-.203	.285	-.557	.518	.701
SEWAGE	.331	.136	.514	-.376	.533
TELEPHONE	-.403	.404	-.461	-.642	.949
Eigenvalue	5.964	2.368	1.347	1.092	
Variance	45.880	19.757	10.363	8.397	
Cumulative	45.880	65.637	76.000	84.397	

Interpretation

Factor 1 – settlement patterns and farm structures

Factor 2 - urbanisation and business development

Factor 3 – infrastructure

Factor 4 – infrastructure, too (so can be neglected – also Eigenvalue almost 1)

Appendix 8: Factor analysis of regions (options)

OPTION 3

– plus 2 exogenous variables (urbanization and GDP per capita (regional))

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.386
Bartlett's Test of Sphericity Approx. Chi-Square	207.540
df	91
Sig.	.000

Attribute	Component				Commonality
	1	2	3	4	
TRACTOR	.945	-.184	.115	-.6355E-02	.944
FARM SIZE	.937	-.197	-.1086E-03	-.113	.930
AGRI LABOUR/LAND	-.896	1.170E-02	.414	3.144E-02	.788
UNEMPLOYMENT	.795	-.402	.229	.189	.882
ROAD PER HEAD	-.800	.418	.173	.220	.893
AGRI VALUE /LABOUR	.725	.304	.104	.399	.788
POPUL DENSITY	-.652	.403	.518	.147	.878
RURAL POP RURAL POPULA	-.604	-.667	8.855E-02	-.7073E-02	.823
COM REV COMMUNE REVENUE	.573	.636	1.339E-02	7.321E-02	.848
GDP PER CAPITA	.178	.792	-.6237E-02	-.259	.730
COMPANIES	.410	.844	.204	-.6333E-03	.923
WATER	-.201	.207	-.506	.671	.789
SEWAGE	.330	7.390E-02	.521	-.237	.442
TELEPHONE	-.386	.447	-.472	-.526	.848
Eigenvalue	5.989	3.102	1.350	1.143	
Variance	42.778	22.158	9.643	74.580	
Cumulative	42.778	64.937	74.580	82.742	

Factor 1 – settlement patterns and farm structures

Factor 2 - urbanization and GDP per capita and business development

Factor 3 – infrastructure

Factor 4 – infrastructure, too (so can be neglected – also Eigenvalue almost 1)

But factors less correlated.

OPTION 4

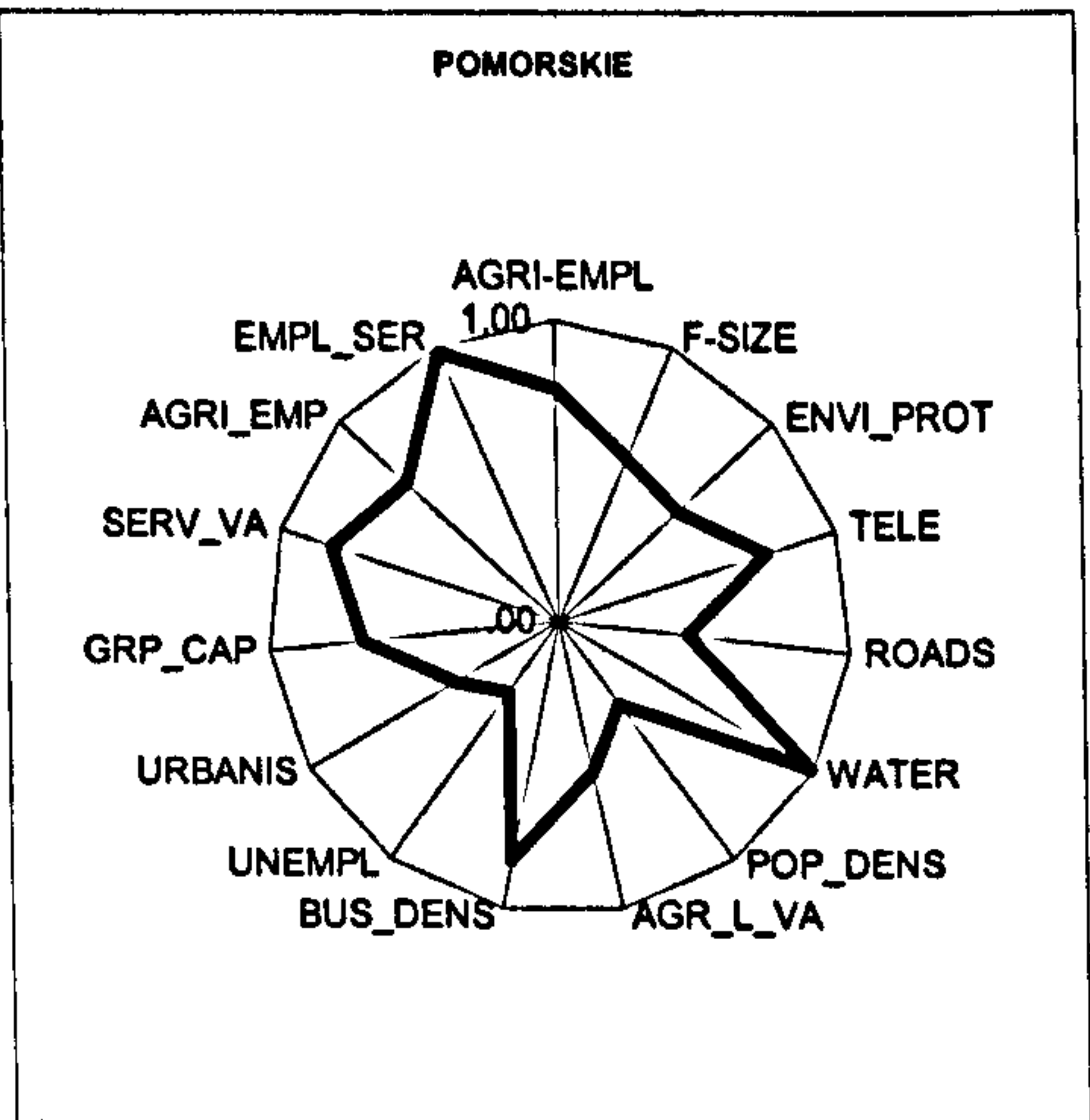
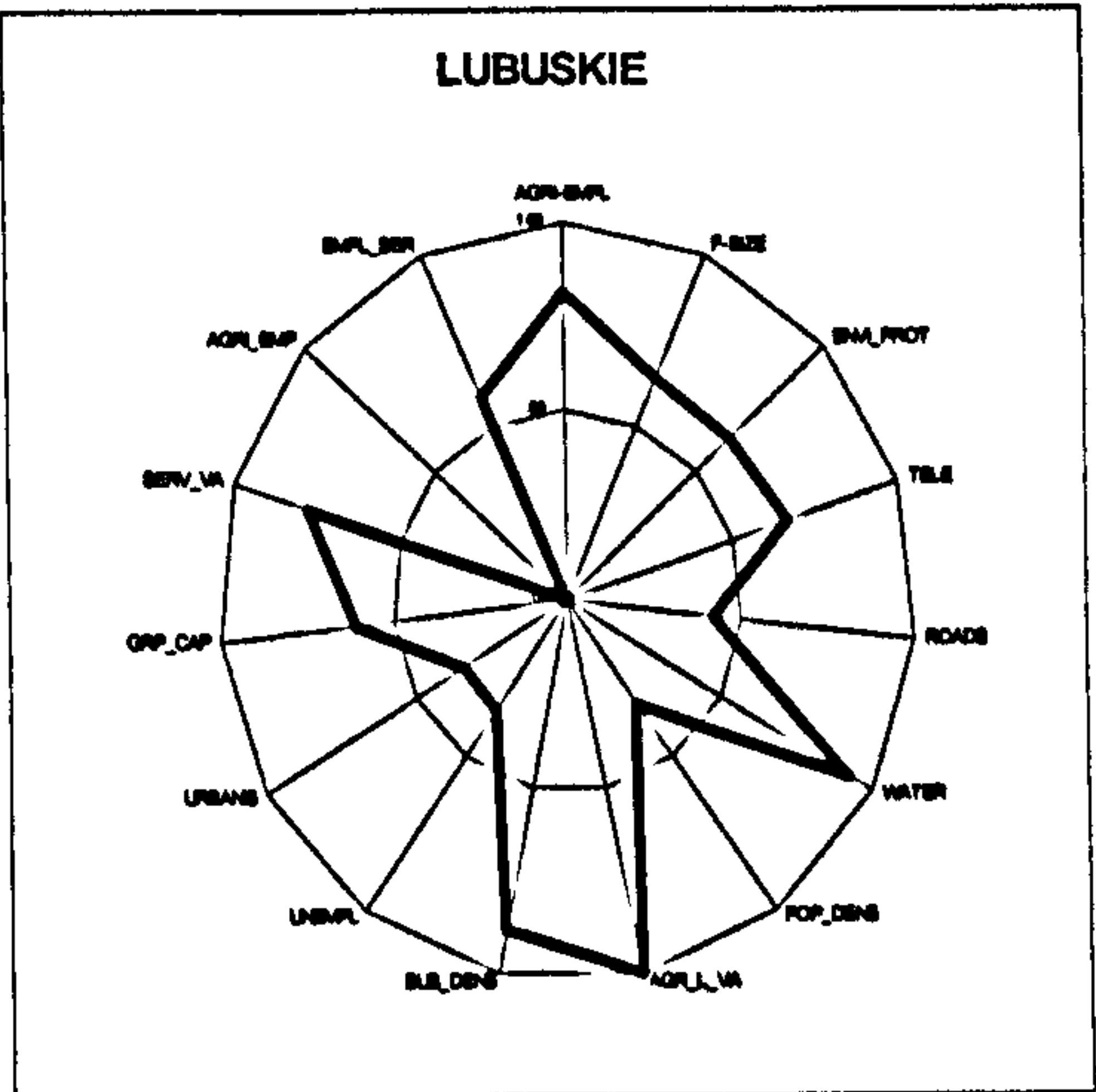
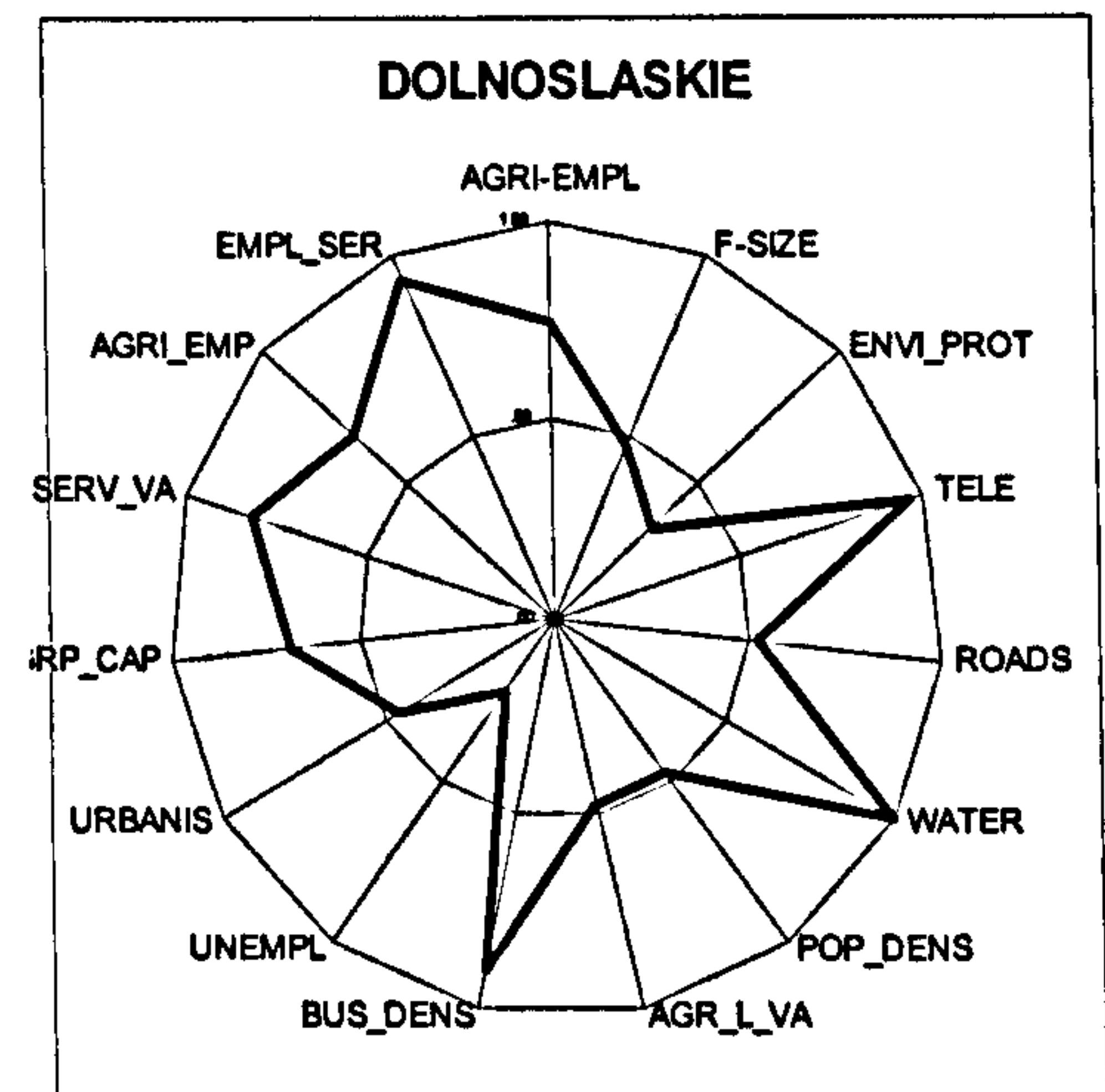
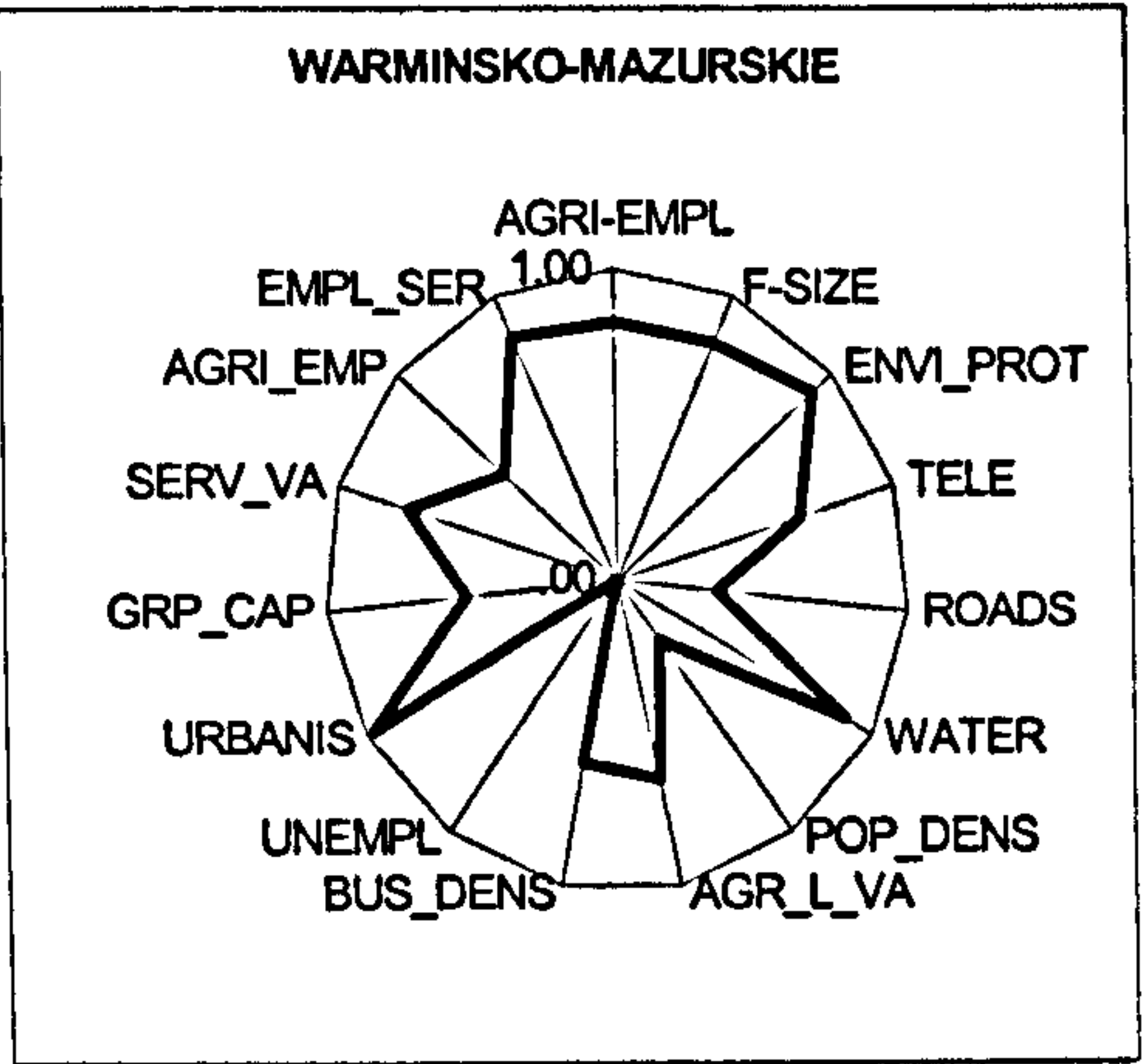
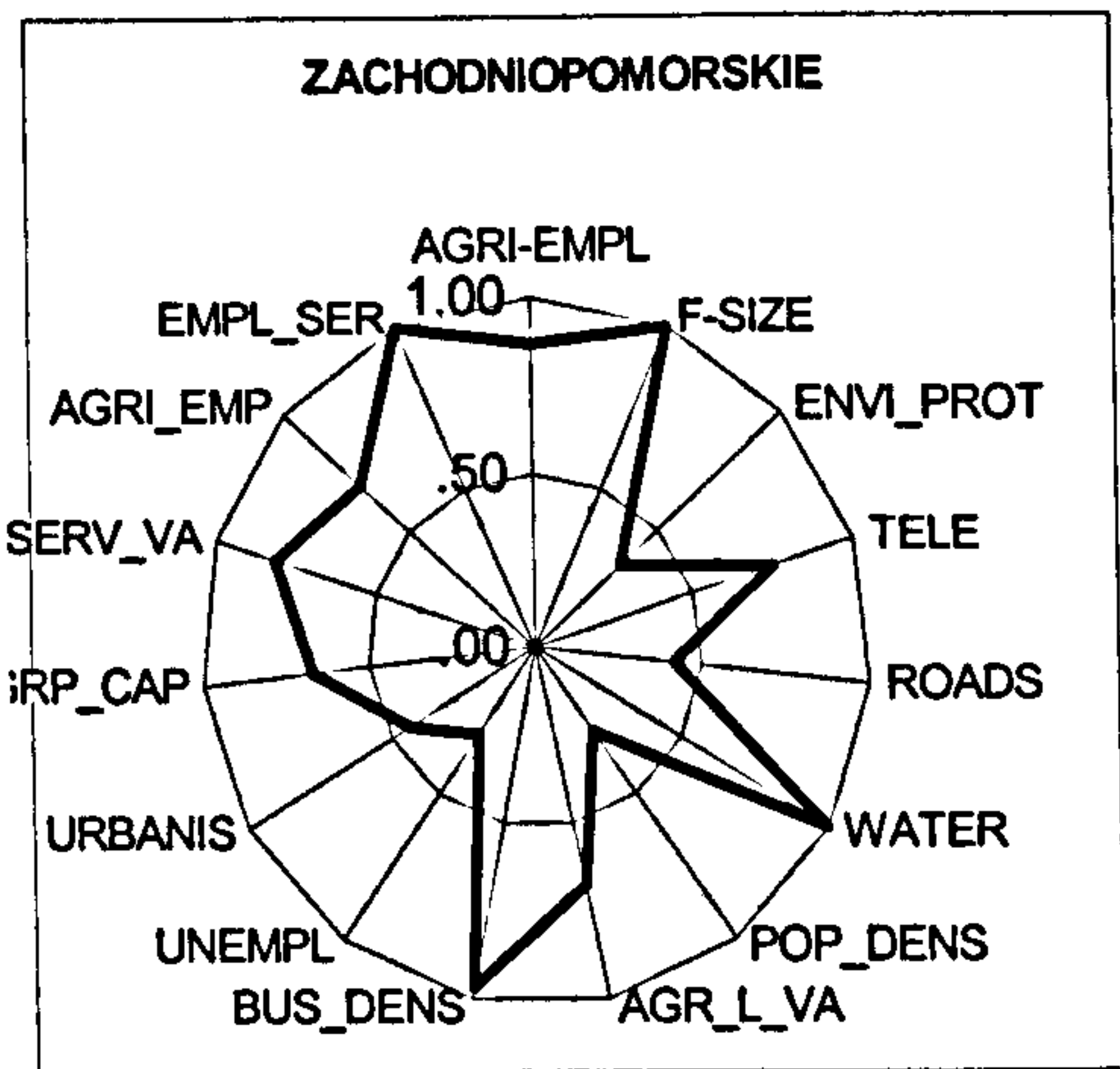
– increased number of indicators (plus share of environmentally sensitive areas, and regional employment patterns)

Covariance Matrix

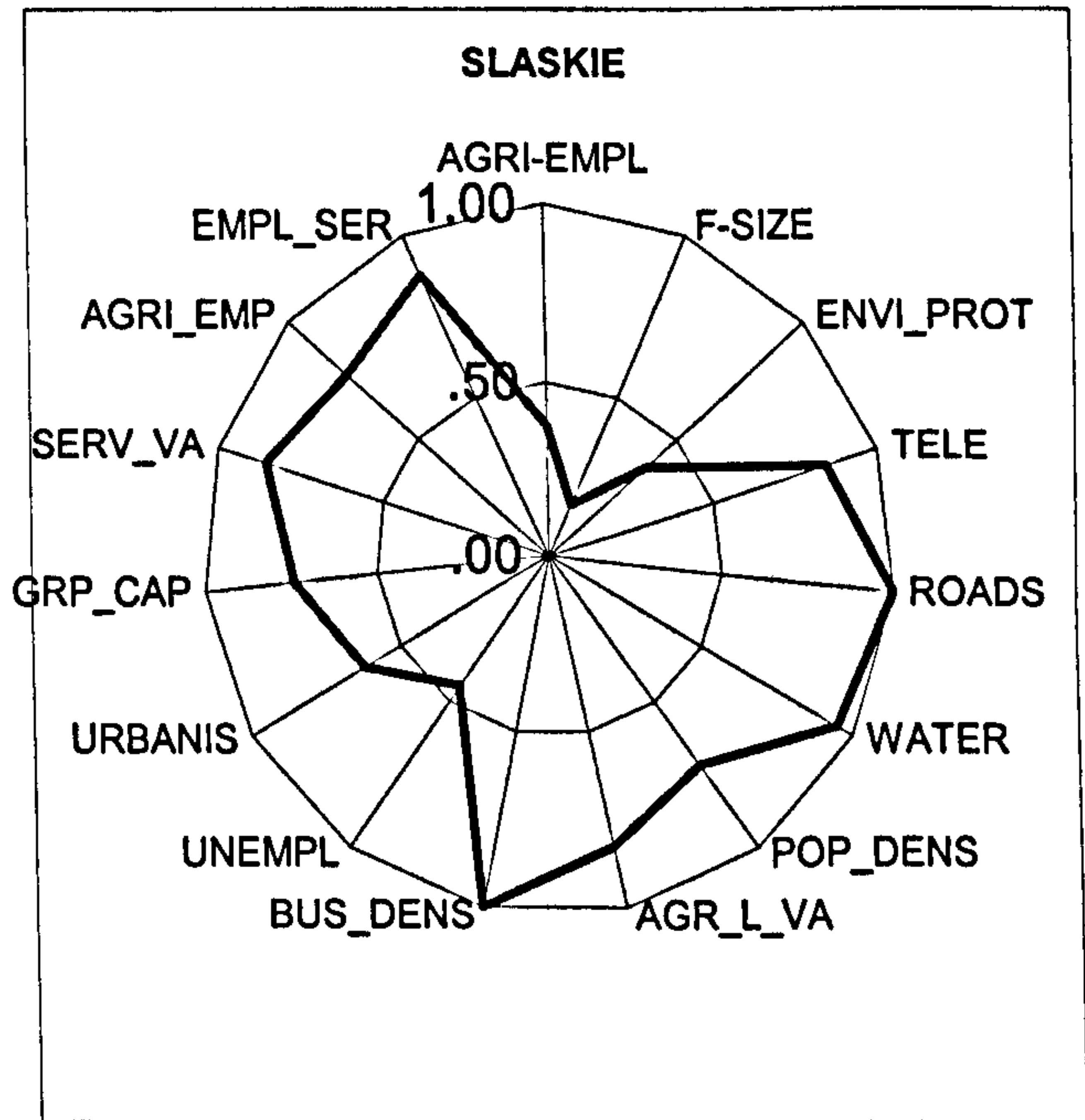
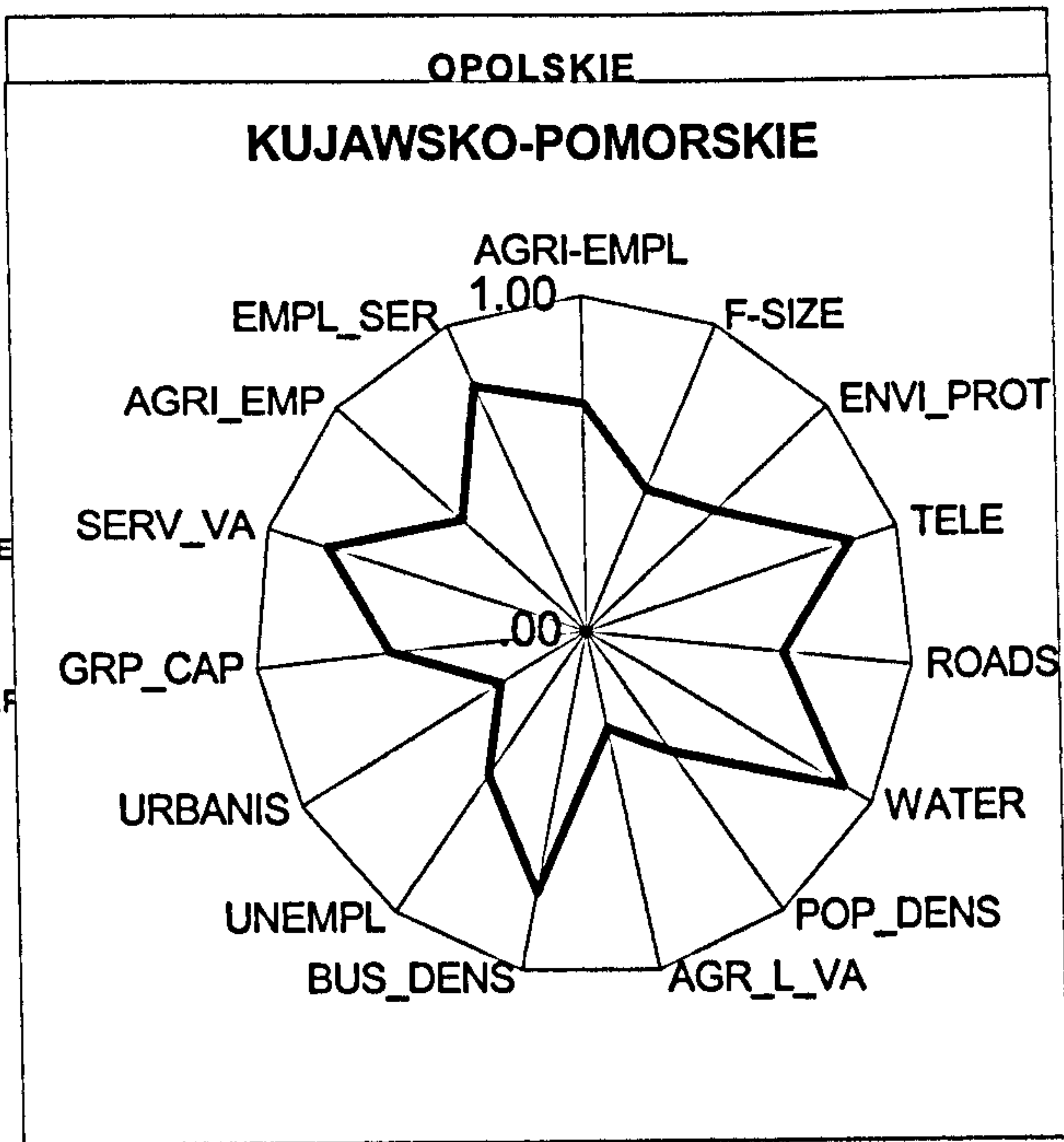
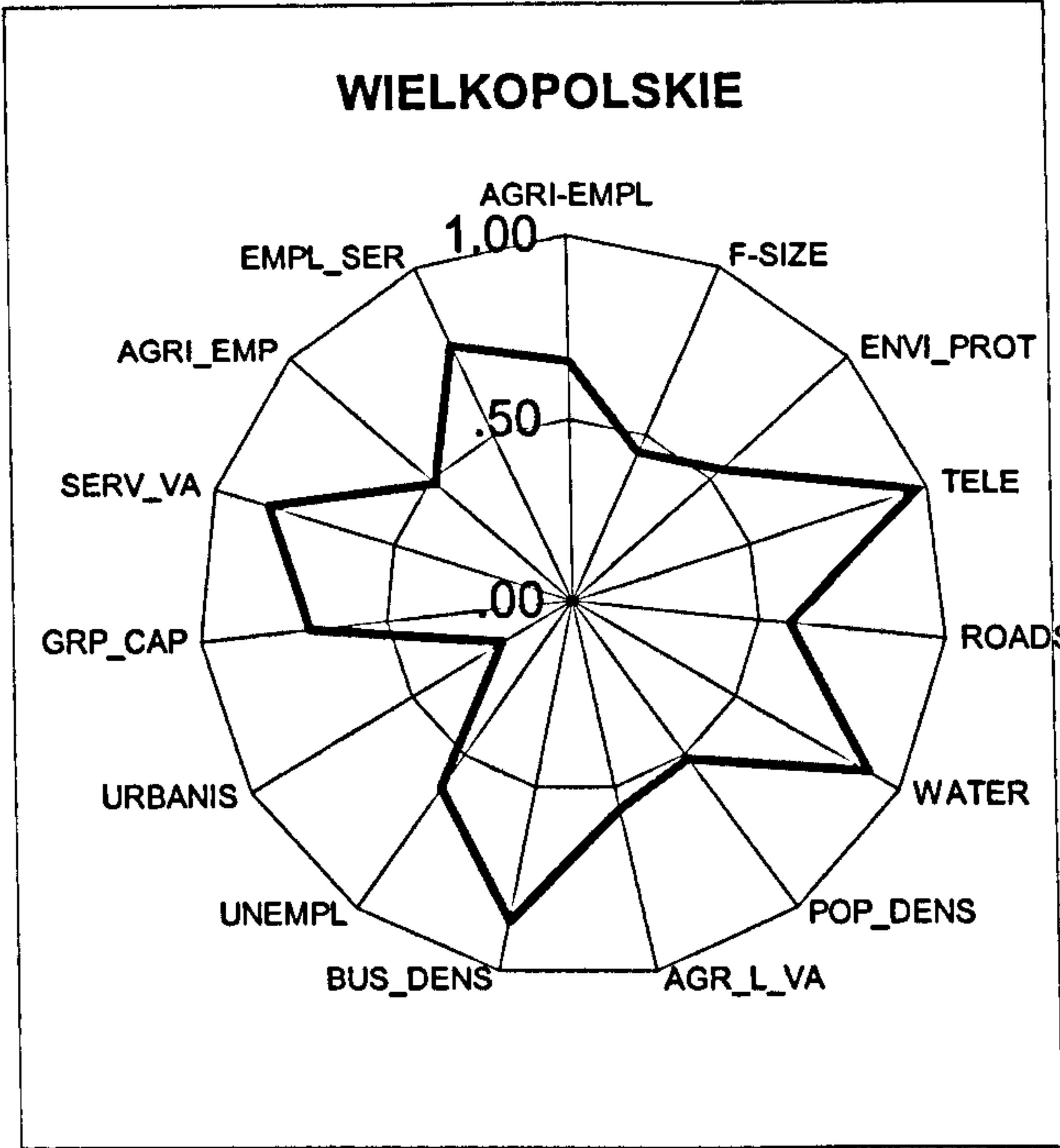
a This matrix is not positive definite.

Appendix 9: Rural resource structure: web diagrams for regions

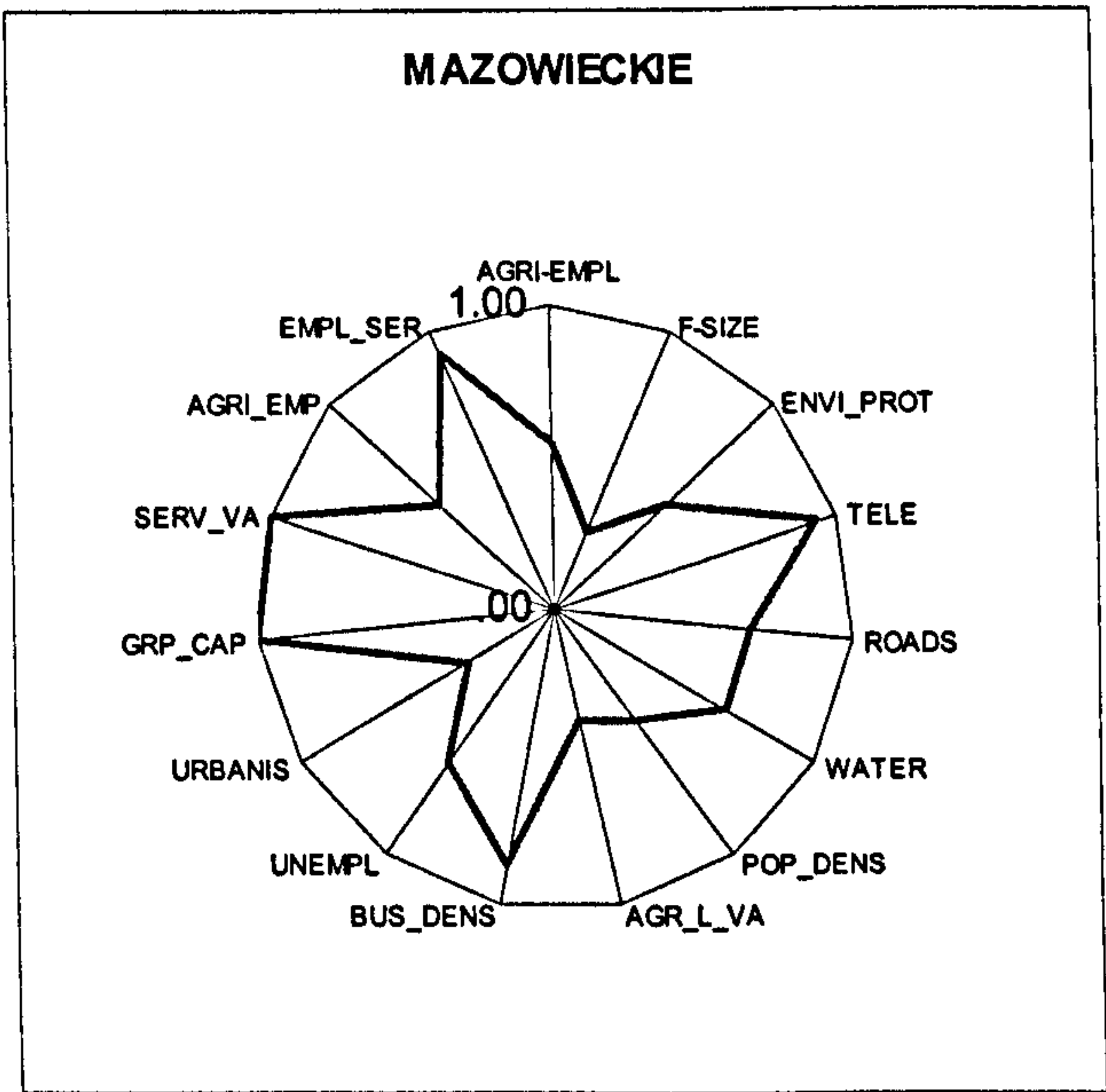
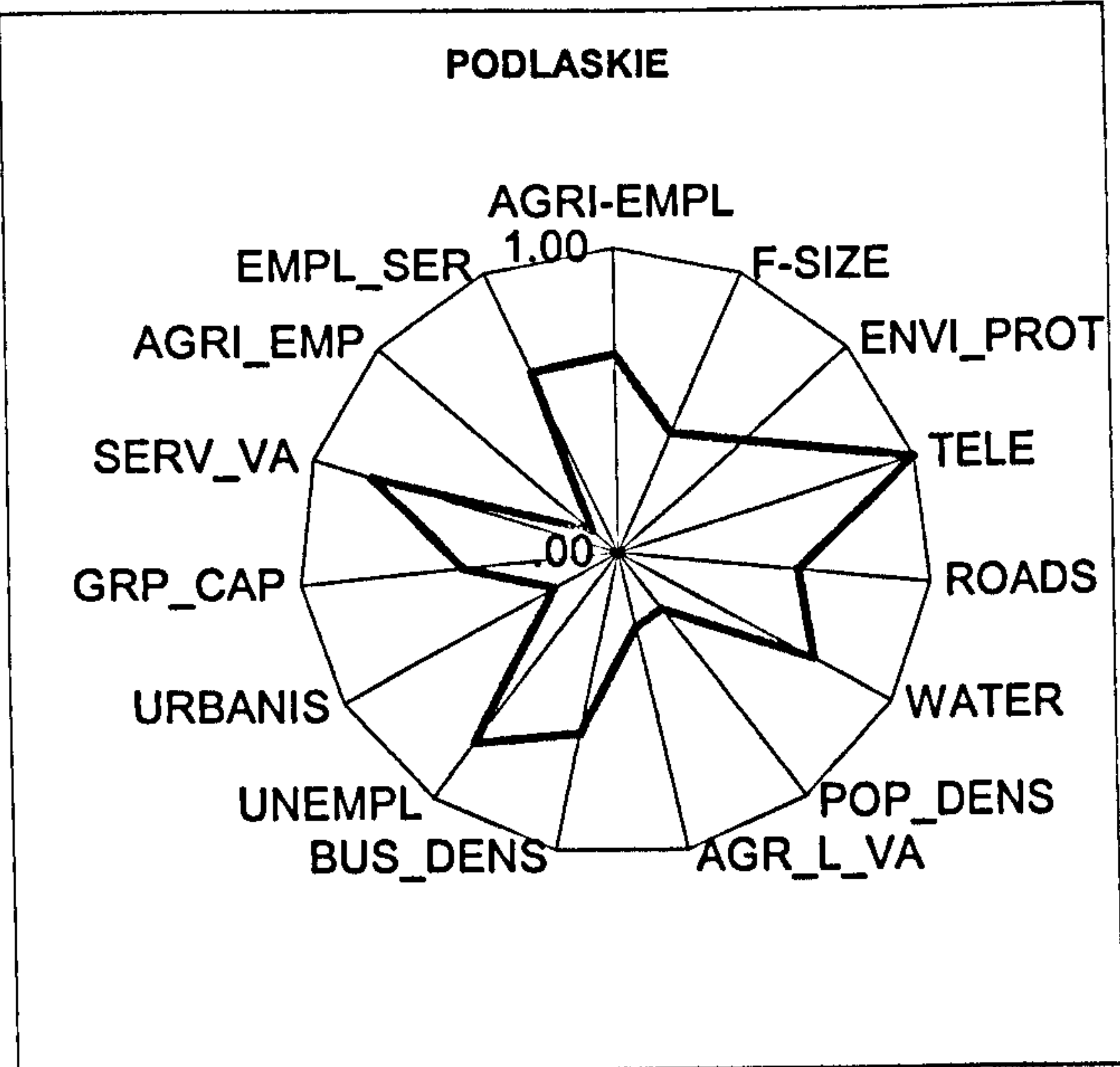
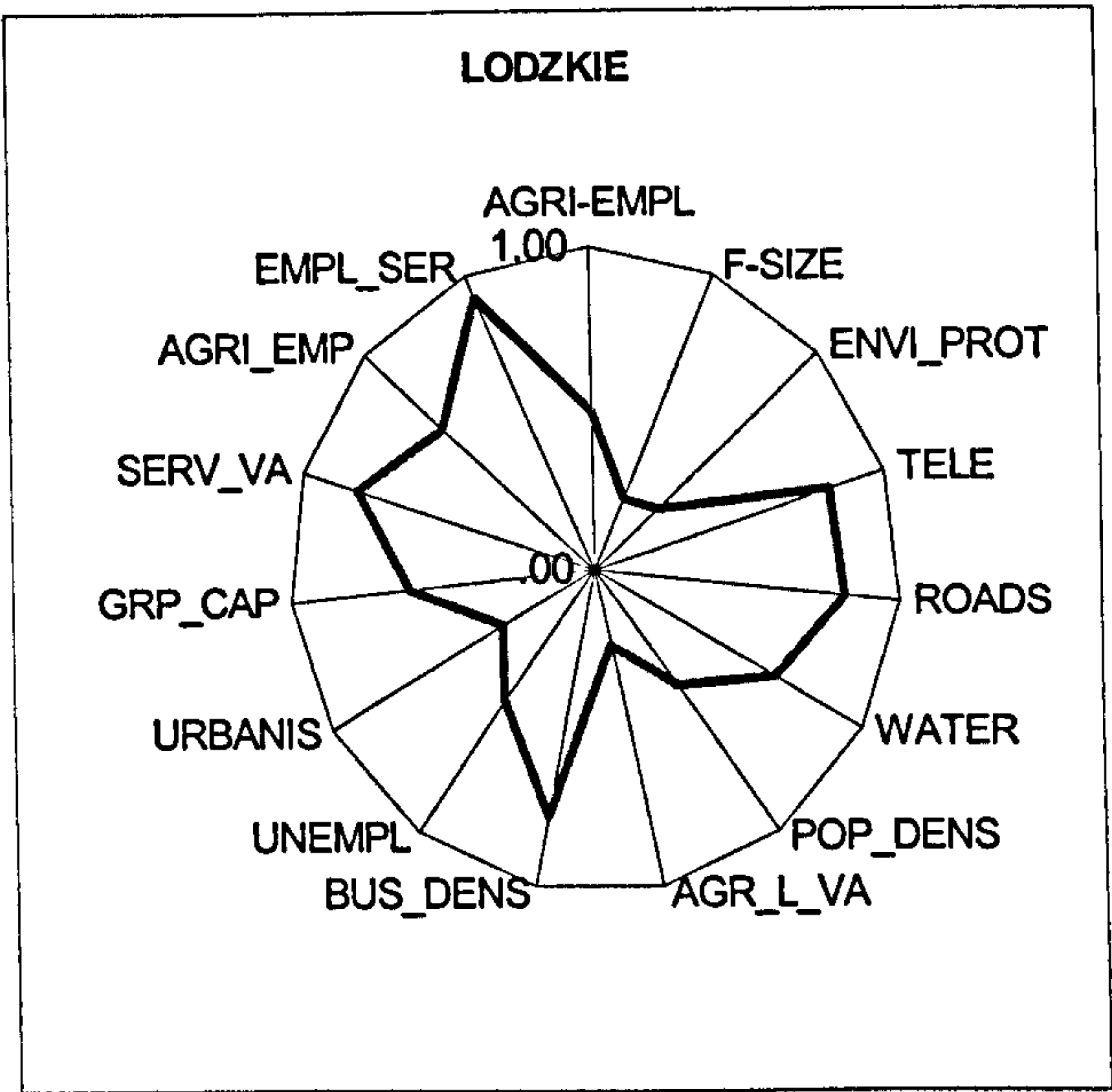
Appendix 9
Rural resource structure: web diagrams for regions



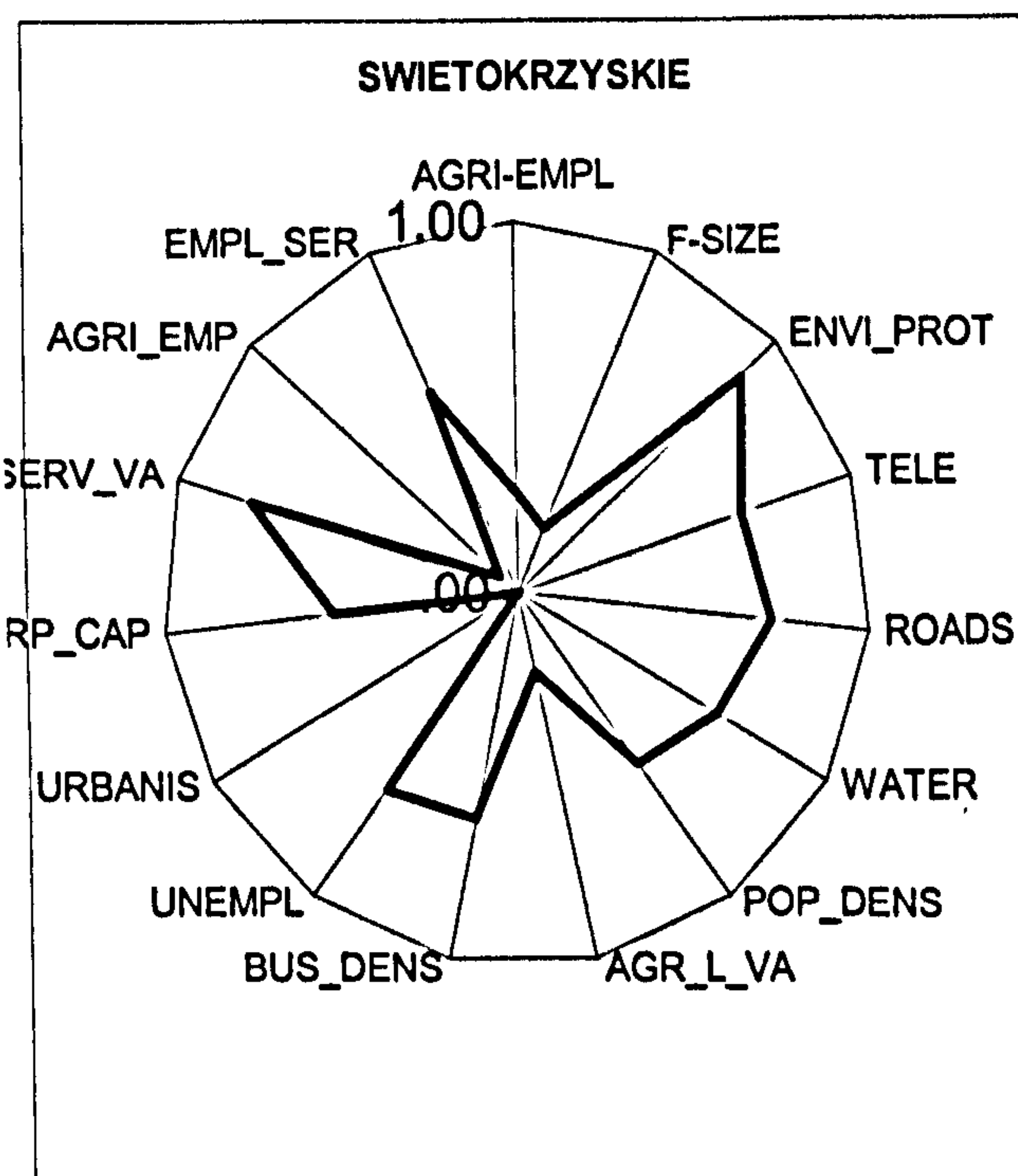
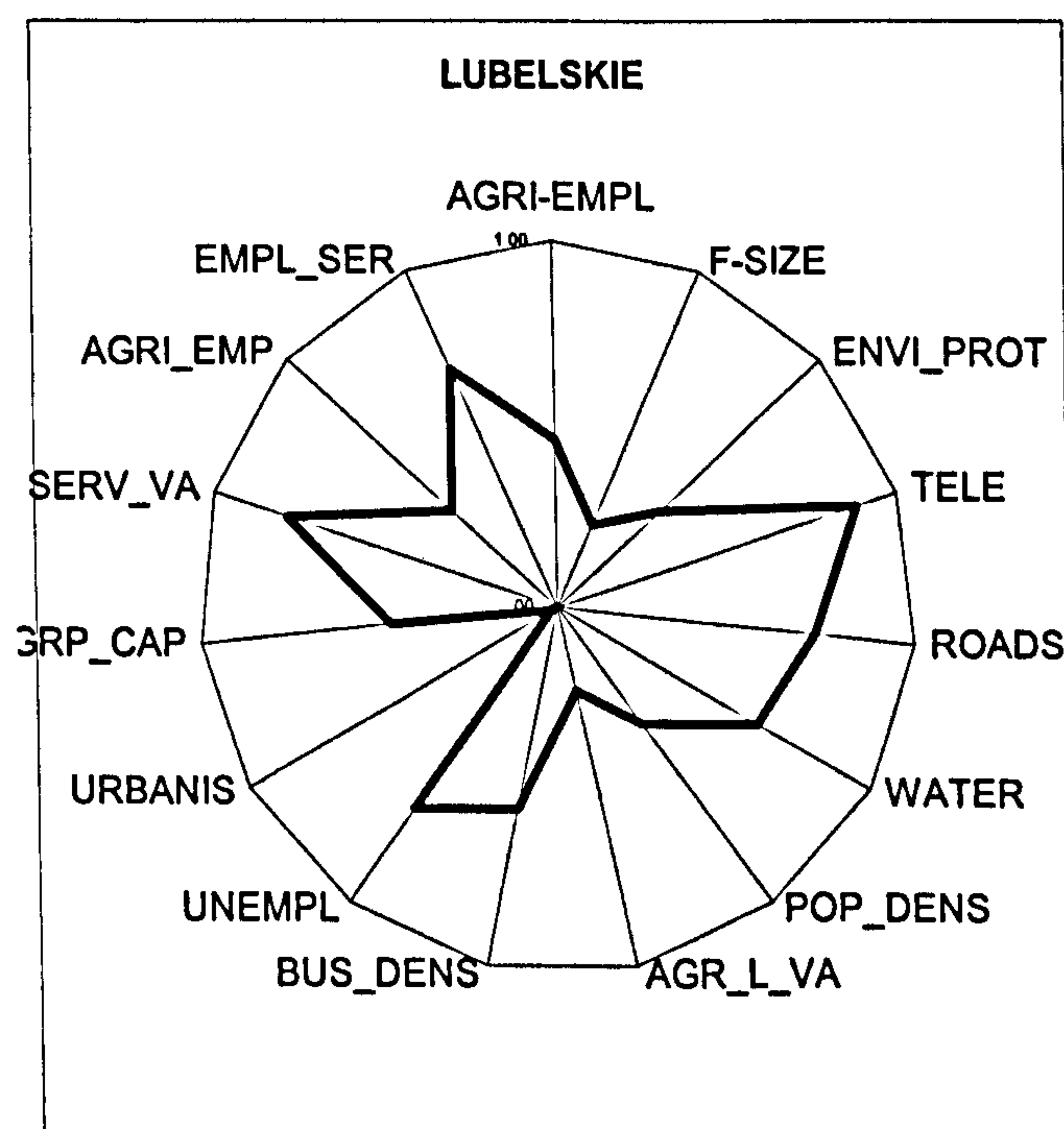
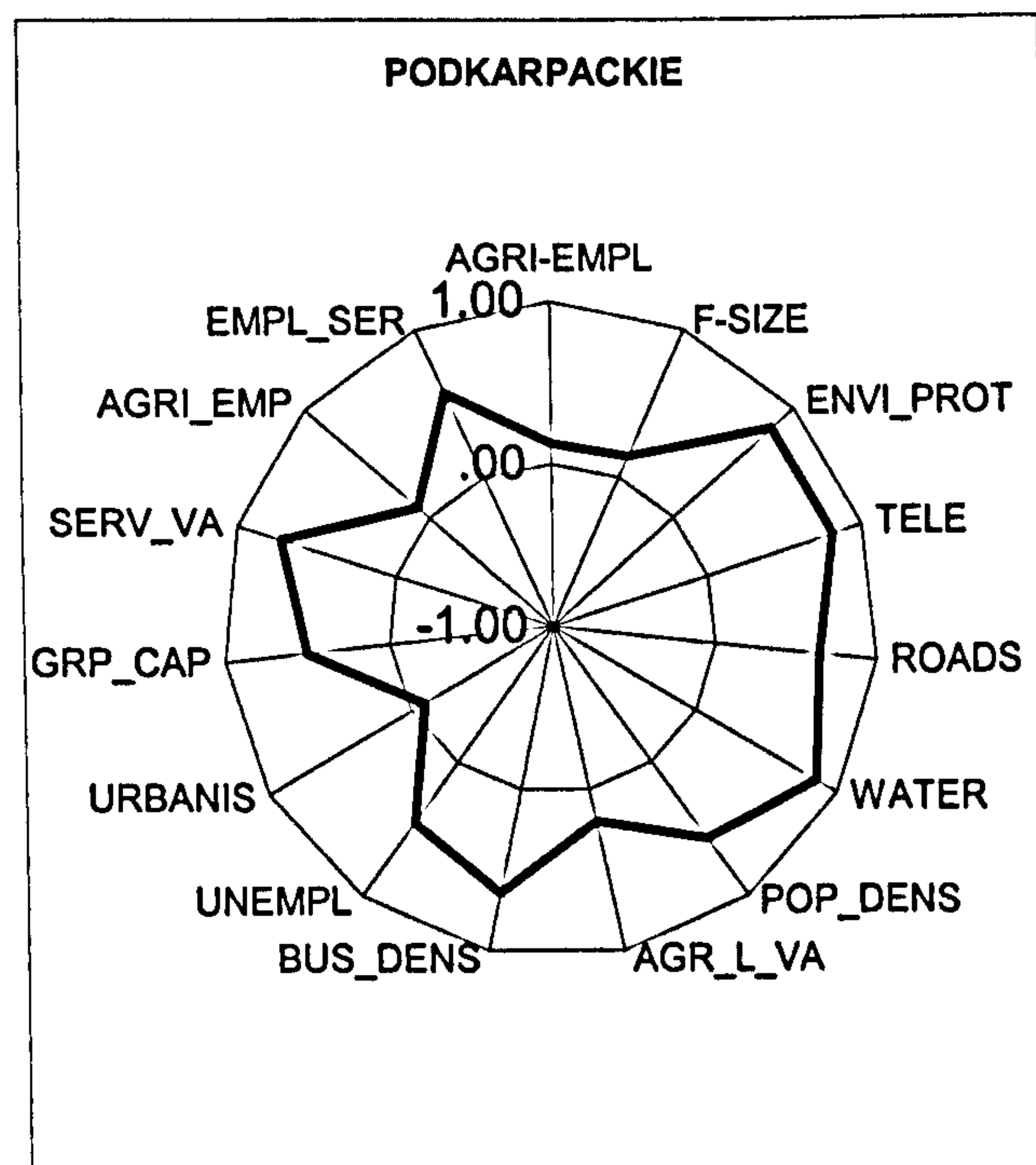
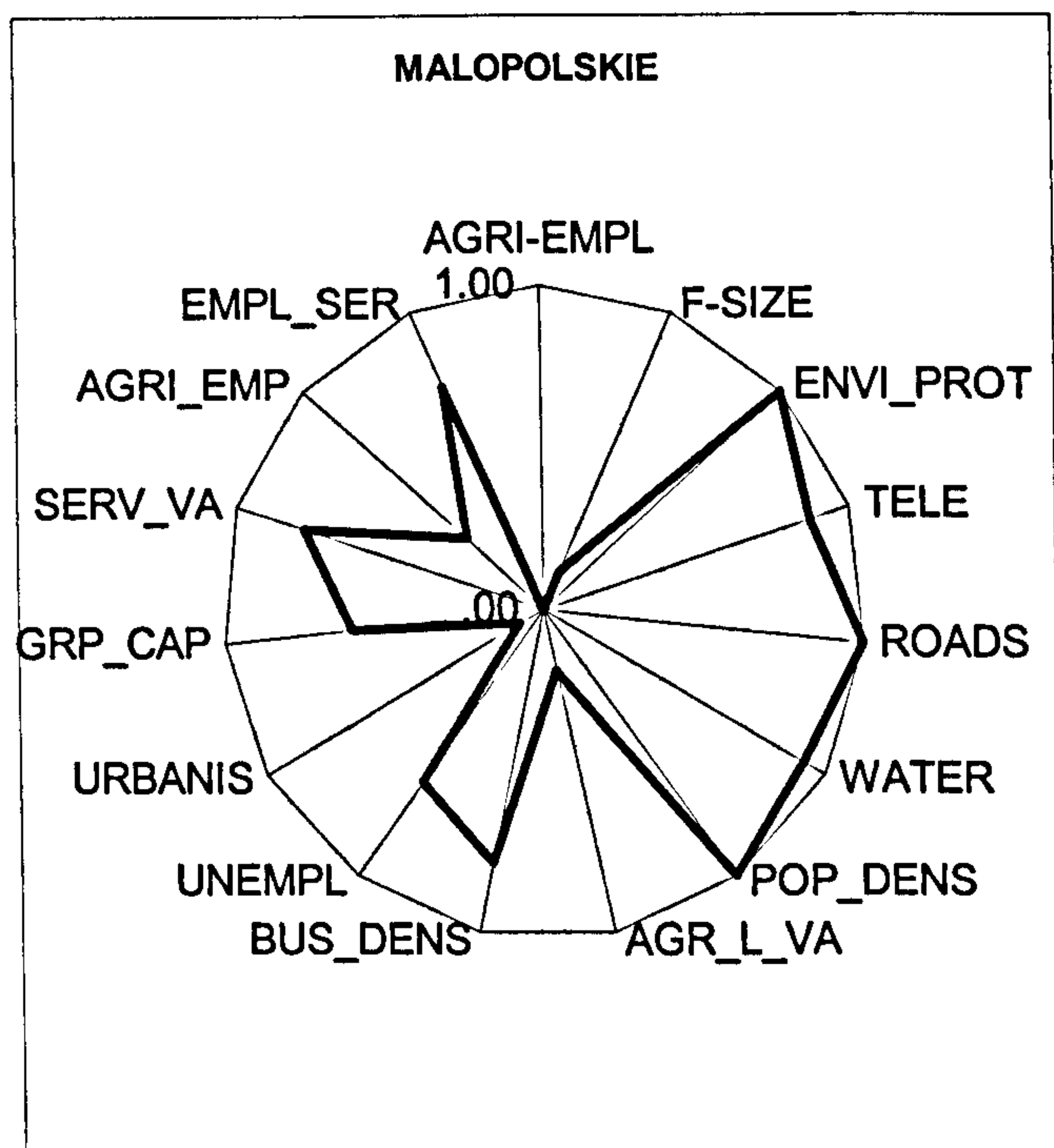
Appendix 9: Rural resource structure: web diagrams for regions



Appendix 9: Rural resource structure: web diagrams for regions



Appendix 9: Rural resource structure: web diagrams for regions



Annex 10
Cluster analysis of communes (options)

The following analysis seeks the most informative classification of Polish ruralities in terms of their resource and production structure, ultimately underlying the level of development of a given area.

OPTION 1

The following variables are used:

- 1. population density (POP-DEN),
- 2. business density (BUS_DEN),
- 3. unemployment (UNEMPL),
- 4. commune own revenue per capita (COM_REV),
- 5. telephone provision (TEL_DEN),
- 6. road density (ROAD_DEN),
- 7. water provision (WATER),
- 8. natural conditions for agricultural production (AGRI_COND),
- 9. farm size (FARM_SIZE)

The correlation table is as follows:

	POP_DEN	BUS_DEN	UNEMPL	COM_REV	TEL	ROAD	WATER	AGRI_COND	FARM_SIZE
POP_DEN	1.000								
BUS_DEN	.121	1.000							
UNEMPL	-.343	-.013	1.000						
COM_REV	-.030	.318	.074	1.000					
TEL_DEN	.152	.348	-.142	.232	1.000				
ROAD_DEN	.509	.086	-.232	.012	.122	1.000			
WATER	.091	.117	-.151	.123	.172	.048	1.000		
AGRI_COND	.178	-.095	-.005	.106	.007	.112	.028	1.000	
FARM_SIZE	-.565	.005	.497	.100	-.064	-.370	-.113	-.058	1.000

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.679
Bartlett's Test of Sphericity	Approx. Chi-Square	2937.044
	df	36
	Sig.	.000

Appendix 10: Cluster analysis of communes (options)

The factor analysis has yield the following results:

	Component			Communality
	1	2	3	
POP_DEN	.810	-.122	.144	.674
FARM_S	-.774	.286	.124	.589
ROAD	.672	-7.817E-02	.195	.533
UNEMPL	-.648	.169	.320	.572
BUS_DEN	.219	.720	-.153	.631
COM_REV	4.384E-02	.706	.311	.314
TEL	.343	.623	-.119	.534
WATER	.274	.319	-.167	.259
AGRI_CON	.186	-4.487E-02	.868	.682
Eigenvalue	2.189	1.534	1.064	
Variance	24.327	17.039	11.827	
Cumulative	24.327	41.366	53.193	

Three factors underlying the variance between communes can be identified as follows: Factor 1, broadly labeled farm and settlement pattern, explaining 24% of variance, includes population density related to farm size, road density, and unemployment patterns. Factor 2, business development, includes business density related to commune revenues and telephone subscription (17% of variance), and, the final factor 3 contains conditions for agricultural production. Noticeably, infrastructure variables do seem significant. Moreover, the three factors only explain 53% of variance. Based on the above factor solution, the following five cluster solution has been generated.

	Clusters: Option 1				
	1	2	3	4	5
Factor 1 Farm and settlement patterns	-.02802 -	.98645 +	-1.14874 --	.14994 +	.16704 +
Factor 2 Business development	4.71989 ++	-.35801 -	-.12222 -	1.42781 ++	-.30963 -
Factor 3 Natural conditions for agricultural production	1.74651 ++	1.04576 ++	.55441 +	-.47757 -	-.75762 -

Clusters: option 1

- Cluster 1:

Most prosperous communes with average population density and farm patterns, very good business development and very good conditions for agricultural production
- Cluster 2

Communes with high population density, small farms, low business development and very good natural conditions for agricultural production

Appendix 10: Cluster analysis of communes (options)

- Cluster 3

Communes very low population density, high farm size, high unemployment, low business density but good conditions for agricultural production
- Cluster 4

Communes with high business development, average population density, average farm size, yet poor natural conditions for agricultural production
- Cluster 5

Communes with average farm and settlement patterns, poor business development, poor conditions for agricultural production

The membership in each cluster is as follows:

Cluster 1	Number of communes
2	409
3	504
4	247
5	833
Valid	2017
Missing	10

The cross tabulation below indicates cluster membership in each region.

Number of clusters represented	Region	Number of Communes					Total
		Cluster 1	Cluster 2	Cluster 3	Cluster 4	Cluster 5	
5	DOLNOSL	8	24	67	21	11	131
4	KUJ - POM		12	66	12	37	127
5	LUBELS	1	86	3	5	97	192
3	LUBUS			53	12	9	74
4	LODZKIE		24	3	24	104	155
3	MALOPOL		73		7	32	112
5	MAZOW	6	23	12	40	187	268
4	OPOL		27	16	7	14	64
3	PODKARP		68		5	53	126
3	PODLAS			1	14	89	104
5	POMOR	1	2	59	13	22	97
4	SLASK	1	13		18	36	68
5	SWIETOKRZ	1	29	2	3	60	95
3	WARM-MAZ			95	4	1	100
5	WIELKOPOL	3	28	38	54	81	204
3	ZACH-POM	3		89	8		100
Total		24	409	504	247	833	2017

Appendix 10: Cluster analysis of communes (options)

OPTION 2

The same variables are used:

- 1. population density (POP-DEN),
- 2. business density (BUS_DEN),
- 3. unemployment (UNEMP),
- 4. commune own revenue per capita (COM_REV),
- 5. telephone provision (TEL),
- 6. road density (ROAD),
- 7. water provision (WATER),
- 8. natural conditions for agricultural production (AGRI_CON),
- 9. farm size (FARM_S)

but the clusters are generated based on original variables, not on factors (since the three factors only explain circa 50% variance). Z-scores have been used for data standisation. Outliers, have again, been excluded from the analysis. The following cluster centres have been generated:

Cluster and its interpretation	Cluster 1	Cluster 2	Cluster 3	Cluster 4	Cluster 5
POP_DEN	.28428 +	1.00261 ++	-.50848 -	-.01005 0	-.03697 0
BUS_DEN	2.18095 ++	-.09090 0	-.05477 0	-.34184 -	-.10026 0
UNEMPL	-.34961 -	-.53560 -	1.34823 ++	-.30563 -	-.48104 -
COM_REV	.56789 +	-.04388 0	.04365 0	-.16275 -	-.04290 0
TEL	1.67472 ++	.17035 +	-.18325 -	-.93857 --	.57670 +
ROAD	-.00420 0	2.14409 ++	-.49486 -	-.14923 -	-.11734 -
AGRI_CON	-.31606 -	.64593 ++	.16567 +	-.04965 0	-.19671 -
FARM_S	-.11316 -	-.67071 --	.77016 ++	-.31462 -	-.12470 -

- Cluster 1: very well developed business, associated with very high telephone subscription; high commune revenue and high population density.
- Cluster 2: Densely populated, very small farm pattern, very good conditions for agriculture, poor business development
- Cluster 3: very high unemployment; low population density; big farms, low-mid business development
- Cluster 4: average population density; very poor business density, poor commune revenue, low unemployment, few telephone subscribers, small farm pattern
- Cluster 5: average population density, poor business development, low unemployment, few telephone subscribers.

No

Appendix 10: Cluster analysis of communes (options)

mber of Cases in each Cluster

Cluster	1	94.000
	2	179.000
	3	488.000
	4	552.000
	5	702.000
Valid		2015.000
Missing		12.000

Location cluster members in regions (cross-tabulation)

Region	1	4	3	2	5	Total
DOLNOSL	12	8	64	11	36	131
KUJ -	6	4	71	24	22	127
LUBELS		12		76	104	192
LUBUS	4		59	6	5	74
LODZKIE	5	11		69	70	155
MALOP	1	70		16	25	112
MAZOW	28	9	12	130	88	267
OPOL		12	15	10	27	64
PODKAR	3	19	1	70	33	126
PODLAS	3		3	21	77	104
POMOR	4		61	7	25	97
SLASK	3	20		8	37	68
SWIETOK	1	12		59	22	94
WARM-MAZ			99		1	100
WIELKOP	14	2	14	45	129	204
ZACH-POM	10		89		1	100
	94	179	488	552	702	2015

This method of classification appears more effective than Option 1 for factors only account for 52% of variance, and, also, the clusters themselves are easier to interpret (unlike with factors where opposite forces are balanced off).

Appendix 10: Cluster analysis of communes (options)

OPTION 3

In option 3, three structural variables on employment have been introduced.

1. population density (POP-DEN),
2. business density (BUS_DEN),
3. unemployment (UNEMP),
4. commune own revenue per capita (COM_REV),
5. telephone provision (TEL),
6. road density (ROAD),
7. water provision (WATER),
8. natural conditions for agricultural production (AGRI_CON),
9. farm size (FARM_S)
10. % employed in manufacturing (EMP_MAN)
11. % employed in market services (EMP_M_SERV)
12. % employed in non market services (EMP_N_M_SER)

The analysis starts from factor analysis. Validity tests are positive as seen below:

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.584
Bartlett's Test of Sphericity	Approx. Chi-Square	6438.019
	df	66
	Sig.	.000

Correlation matrix between the variables is as follows:

	POP_DEN	BUS_DEN	UNEMP	COM_REV	TEL	ROAD	WATER	AGRI_CON	FARM_S	EMP_MAN	EMP_M_SERV	EMP_N_M_SER
POP_DEN	1.000											
BUS_DEN	.121	1.000										
UNEMP	-.343	-.013	1.000									
COM_REV	1.000	.318	.074	1.000								
TEL	.154	.348	-.142	.233	1.000							
ROAD	.513	.085	-.232	.012	.123	1.000						
WATER	.093	.117	-.151	.123	.173	.051	1.000					
AGRI_CON	-.013	.261	.179	.233	.151	-.045	.016	1.000				
FARM_S	-.566	.005	.497	.099	-.065	-.371	-.114	.198	1.000			
EMP_MAN	.151	.251	.032	.297	.161	.030	.119	.120	-.055	1.000		
EMP_M_SERV	.096	.110	-.132	-.001	.117	.037	.017	.017	-.070	-.382	1.000	
EMP_N_M_SER	.009	-.303	-.163	-.394	-.195	.051	-.106	-.177	-.128	-.716	-.050	1.000

Appendix 10: Cluster analysis of communes (options)

	Component				Communality
	1	2	3	4	
EMP_N_M_SER	-.759	.249	.184	5.903E-02	.676
EMP_MAN	.734	-8.476E-02	-.584	-2.334E-02	.888
BUS_DEN	.638	2.955E-02	.343	.105	.536
COM_REV	.632	-.177	.131	-3.143E-02	.449
TEL	.524	.191	.371	-.131	.465
FARM S	-3.254E-02	-.813	.175	1.774E-02	.692
POP_DEN	.234	.766	-9.909E-02	.286	.733
UNEMP	7.158E-03	-.700	-3.390E-02	.297	.579
ROAD)	.155	.642	-6.085E-02	.398	.598
EMP_M_SERV	-4.581E-02	.202	.757	-4.633E-02	.618
WATER	.295	.196	6.018E-02	-.706	.627
AGRI_CON	.397	-.263	.323	.401	.492
Eigenvalue	2.523	2.434	1.372	1.025	
Variance	21.022	20.283	11.435	8.539	
Cumulative	21.022	41.305	52.740	61.279	

Four factors have been identified underlying the resource and structural differences between regions:

Factor 1, business development, linked with employment in manufacturing, community revenue, and telephone density with irreversible proportion to employment in public sector (non-marketable services), accounts for 21% of variance.

Factor 2, settlement and farm structure, consisting of farm size, linked to population density, road density and (registered) unemployment, covers 20% of variance.

Factor 3, principally employment in market services, covers 11% of variance.

Factor 4, includes mainly, water provision (10% of variance), but of eigenvalue of very close to 1. Those factors account for 61% of the variance.

Based on new factor based values the following 5 cluster solution has been generated:

Final Cluster Centers: Option 3

	Cluster				
	1	2	3	4	5
Factor 4: water provision	.35726 +	1.45726 ++	.46721 +	-.48770 -	-.55566 --
Factor 3: employment in services	1.73552 ++	-.39844 -	-.12815 -	.39939 +	-.84777 --
Factor 2: settlement and farm structure	-.05796 0	1.29068 ++	-1.19486 --	.30274 +	.09784 0
Factor 1: business development	1.53094 ++	-.13290 -	-.21493 -	-.66133 --	.74128 +

Appendix 10: Cluster analysis of communes (options)

- Cluster 1:

very well developed business, associated with good water provision; very high employment in services, and average farm/population density
- Cluster 2

densely populated, very small farm pattern, poor business development, very high water provision and small employment in services
- Cluster 3

very high unemployment; low population density; big farms, low business development
- Cluster 4

average population density; very poor business density, poor commune revenue, low unemployment, small farm pattern
- Cluster 5

average population density, poor business development, low unemployment, few telephone subscribers.

Number of Cases in each Cluster

Cluster	1	157
	2	230
	3	457
	4	700
	5	474
Valid		2018.000
Missing		9.000

	Cluster Members					Total
	1	2	3	4	5	
DOLNOSL	28	10	40	14	38	130
KUJ -	9	3	46	34	35	127
LUBELS	4	12	7	137	32	192
LUBUS	5		42	10	17	74
LODZKIE	5	7	4	73	66	155
MALOP	4	87	4	15	4	114
MAZOW	28	25	33	137	45	268
OPOL	3	4	7	26	24	64
PODKAR	5	46	6	49	20	126
PODLAS	5		18	65	16	104
POMOR	9		61	12	15	97
SLASK	4	20		20	24	68
SWIETOK	1	14	9	44	27	95
WARM-MAZ	5		89	2	4	100
WIELKOP	22	2	17	60	103	204
ZACH-POM	20		74	2	4	100
Total	157	230	457	700	474	2018

Appendix 10: Cluster analysis of communes (options)

OPTION 4

Given the fact the four clusters only explain 62% of variance, another way of conducting the analysis is to use the original variables (as follows)

Variables:

- 1. population density (POP-DEN),
- 2. business density (BUS_DEN),
- 3. unemployment (UNEMP),
- 4. commune own revenue per capita (COM_REV),
- 5. telephone provision (TEL),
- 6. road density (ROAD),
- 7. water provision (WATER),
- 8. natural conditions for agricultural production (AGRI_CON),
- 9. farm size (FARM_S)
- 10. % employed in manufacturing (EMP_MA)
- 11. % employed in market services (EMP_MA)
- 12. % employed in non market services (EMP_N_M_SER)

Based on standardized Z-scores are applied.

Final Cluster Centers

	Cluster				
	1	3	2	4	5
Zscore: POP_DEN	.35860 +	1.08609 ++	-.50307 --	-.16635 -	.18290 +
Zscore: BUS_DEN	1.89766 ++	-.11732 -	-.05936 0	-.31751 -	.02667 0
Zscore: UNEMP	-.64981 --	-.51809 --	1.28710 ++	-.32307 -	-.41552 -
Zscore: COM_REV	.56526 ++	-.16116 -	.07876 0	-.20954 -	.05980 0
Zscore: TEL	1.89251 ++	.04770 0	-.21963 -	-.29959 -	.23658 +
Zscore: ROAD	.12274 +	2.36710 ++	-.47217 -	-.24271 -	.05051 0
Zscore: WATER	.41184 +	-.43423 -	-.36925 -	-.18119 -	.58192 ++
Zscore: AGRI_CON	-.28868 -	.52047 ++	.14105 +	-.10572 -	-.06495 0
Zscore: FARM_S	-.19396 -	-.71680 --	.73090 ++	-.13450 -	-.27008 -
Zscore: EMP_MA	.50947 ++	-.16704 -	.24461 +	-.78042 --	.74204 ++
Zscore: EMP_MA_SER	1.37526 ++	.09808 0	-.32207 -	.16976 +	-.23268 -
Zscore: EMP_N_M_SER	-1.13797 --	.39377 +	-.53489 --	.91035 ++	-.60867 --

Appendix 10: Cluster analysis of communes (options)

- Cluster 1:

very well developed business, associated with good water provision; very high employment in services, and average farm/population density, low unemployment
- Cluster 2

densely populated, very small farm pattern, poor business development, very high water provision and small employment in services
- Cluster 3

very high unemployment; low population density; big farms, low business development
- Cluster 4

average population density; very poor business density, poor commune revenue, low unemployment, small farm pattern
- Cluster 5

average population density, poor business development, low unemployment, few telephone subscribers.

Number of Cases in each Cluster

Number of cases in each cluster:	
Cluster 1	91
Cluster 2	144
Cluster 3	485
Cluster 4	727
Cluster 5	569
Valid	2016
Missing	11

Cluster membership in regions:

	Cluster Number of Case					Total
	1	3	2	4	5	
DOLNOSL	7	5	67	19	32	130
KUJ -	3	2	54	38	30	127
LUBELS	5	4	3	132	48	192
LUBUS	2		55	12	5	74
LODZKIE	4	7	5	55	84	155
MALOP	3	70		27	12	112
MAZOW	25	6	13	169	55	268
OPOL		5	16	13	30	64
PODKAR	2	19	4	62	39	126
PODLAS	6		1	76	21	104
POMOR	3		57	20	17	97
SLASK	4	17		16	31	68
SWIETOK	1	8	3	51	32	95
WARM-MAZ	1		94	4	1	100
WIELKOP	16	1	23	32	132	204
ZACH-POM	9		90	1		100
Total	91	144	485	727	569	2016

Appendix 10: Cluster analysis of communes (options)

OPTION 5

	Option 5: Cluster				
	1	2	3	4	5
Zscore: Population density (per ha)	.21043	.42196 +	-.53712	.05912	-.06167
Zscore: Companies per 1000 population	1.27316 ++	-.23784	-.10333	-.23419	-.12416
Zscore: Unemployment rate in district	-.43646	-.41662	1.35398 ++	-.38769	-.36328
Zscore: Index of own commune tax base (.32683	.01732	.05049	-.18947	-.08957
Zscore(TEL.)	1.32974 ++	.14859	-.27134	-.49119	.05992
Zscore(ROAD)	.13909	.59729	-.50466	-.03252	-.10717
Zscore(WATER)	.40962	.25587	-.31367	-1.13951	.71427
Zscore: Index of natural conditions for	-.27097	1.42159 ++	.08220	-.43931	-.48559
Zscore: Farm size (ha)	-.09749	-.39809 --	.79693 +	-.28645	-.17043
Zscore: % of employed in market service	1.49106 ++	-.08500	-.31378	.07741	-.20144

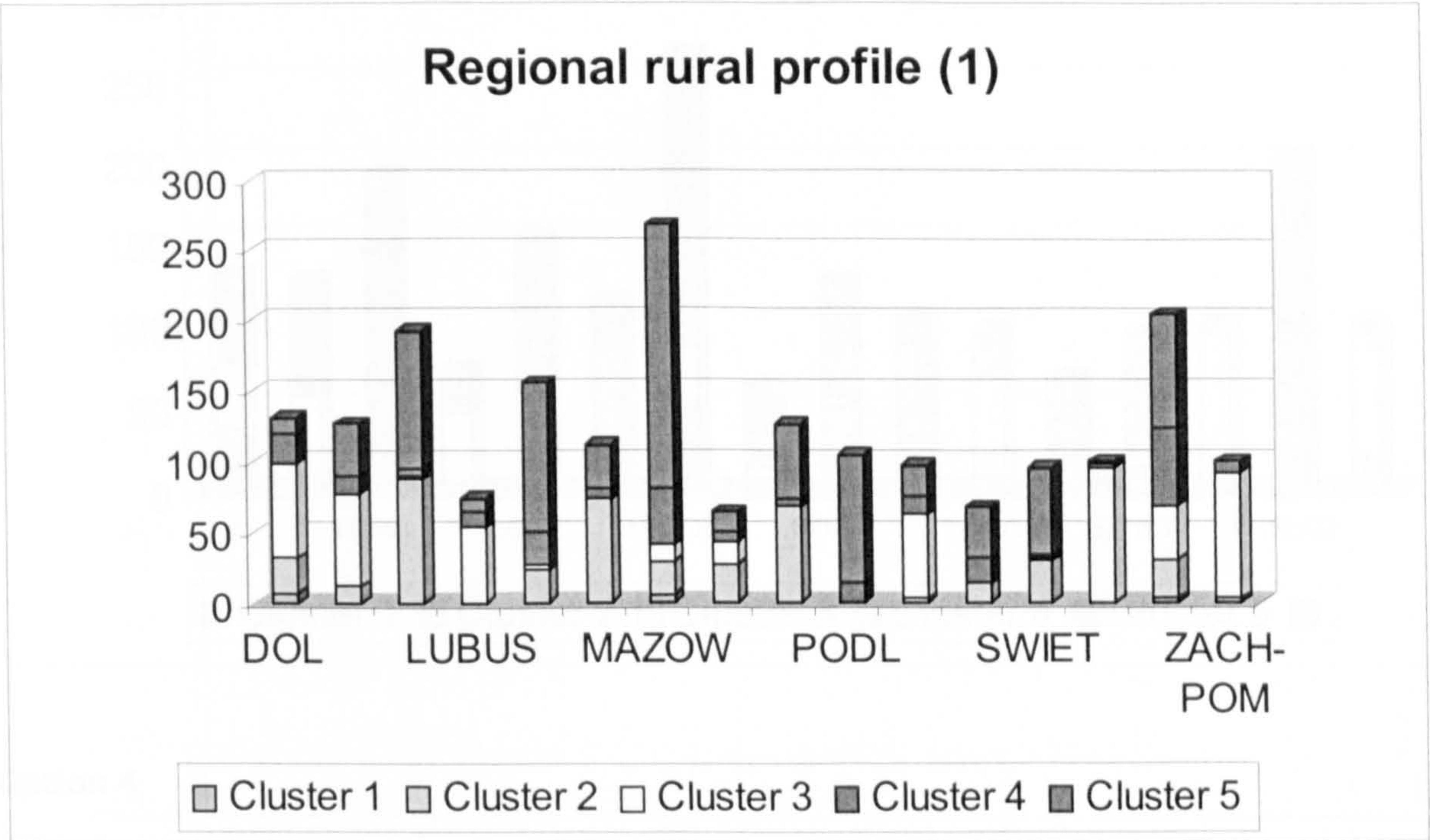
Number of Cases in each Cluster

Cluster	1	162
	2	348
	3	462
	4	404
	5	630
Valid		2006
Missing		3

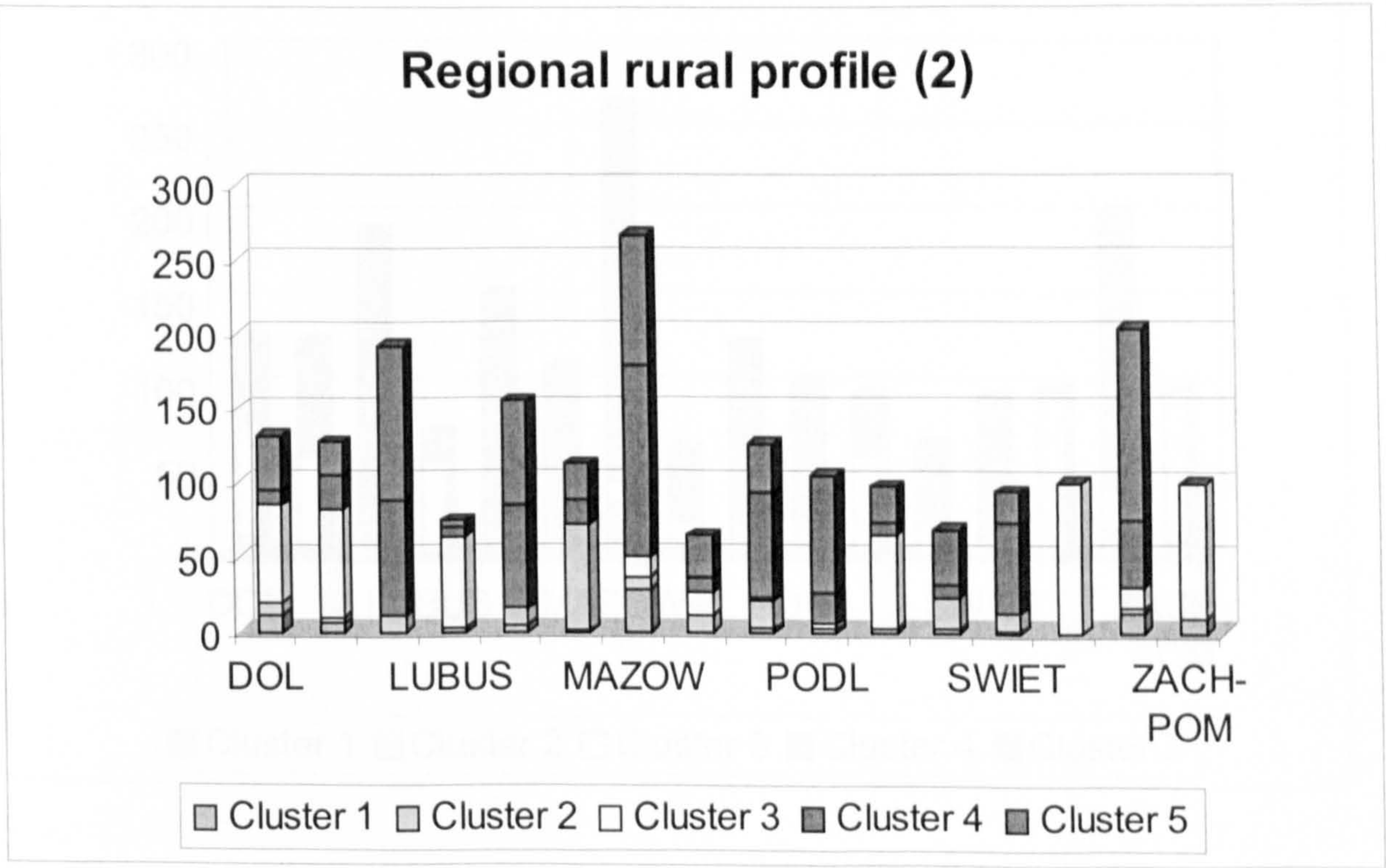
	Option 5					Total
	Cluster 1	Cluster 2	Cluster 3	Cluster 4	Cluster 5	
DOLNOSL	14	36	52	12	16	130
KUJ -	7	20	61	10	29	127
LUBELS	7	80		40	65	192
LUBUS	4		56	4	10	74
LODZKIE	11	20	3	16	105	155
MALOP	7	38		52	9	106
MAZOW	38	11	9	128	80	266
OPOL	2	28	11	1	22	64
PODKAR	6	38		46	36	126
PODLAS	11	1	4	29	59	104
POMOR	4	2	59	5	27	97
SLASK	10	13		13	30	66
SWIETOK	1	28	1	35	30	95
WARM-MAZ	2		97		1	100
WIELKOP	28	33	19	13	111	204
ZACH-POM	10		90			100
	162	348	462	404	630	2006

Appendix 11
Regional rural profiles (options)

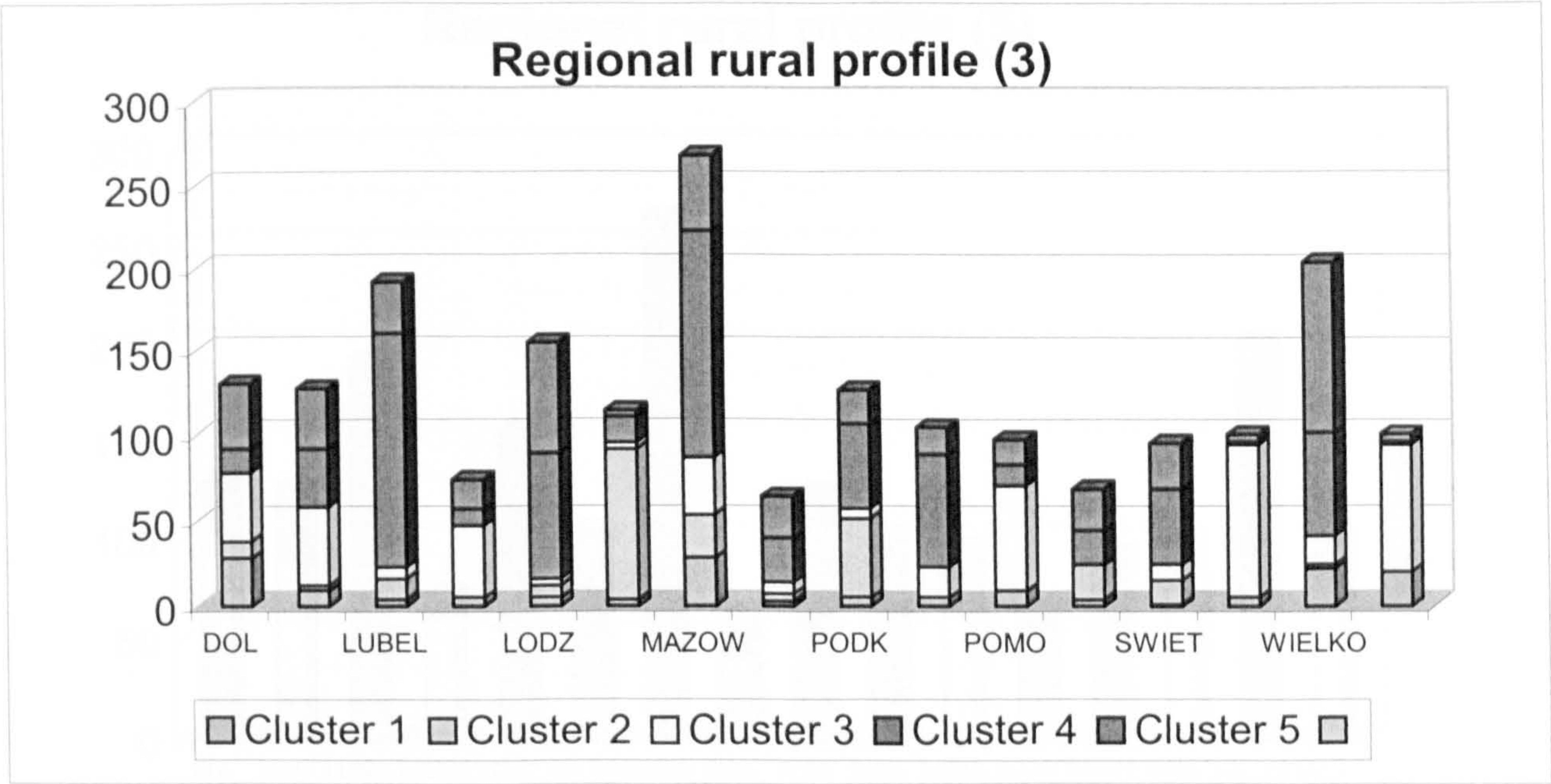
Option 1



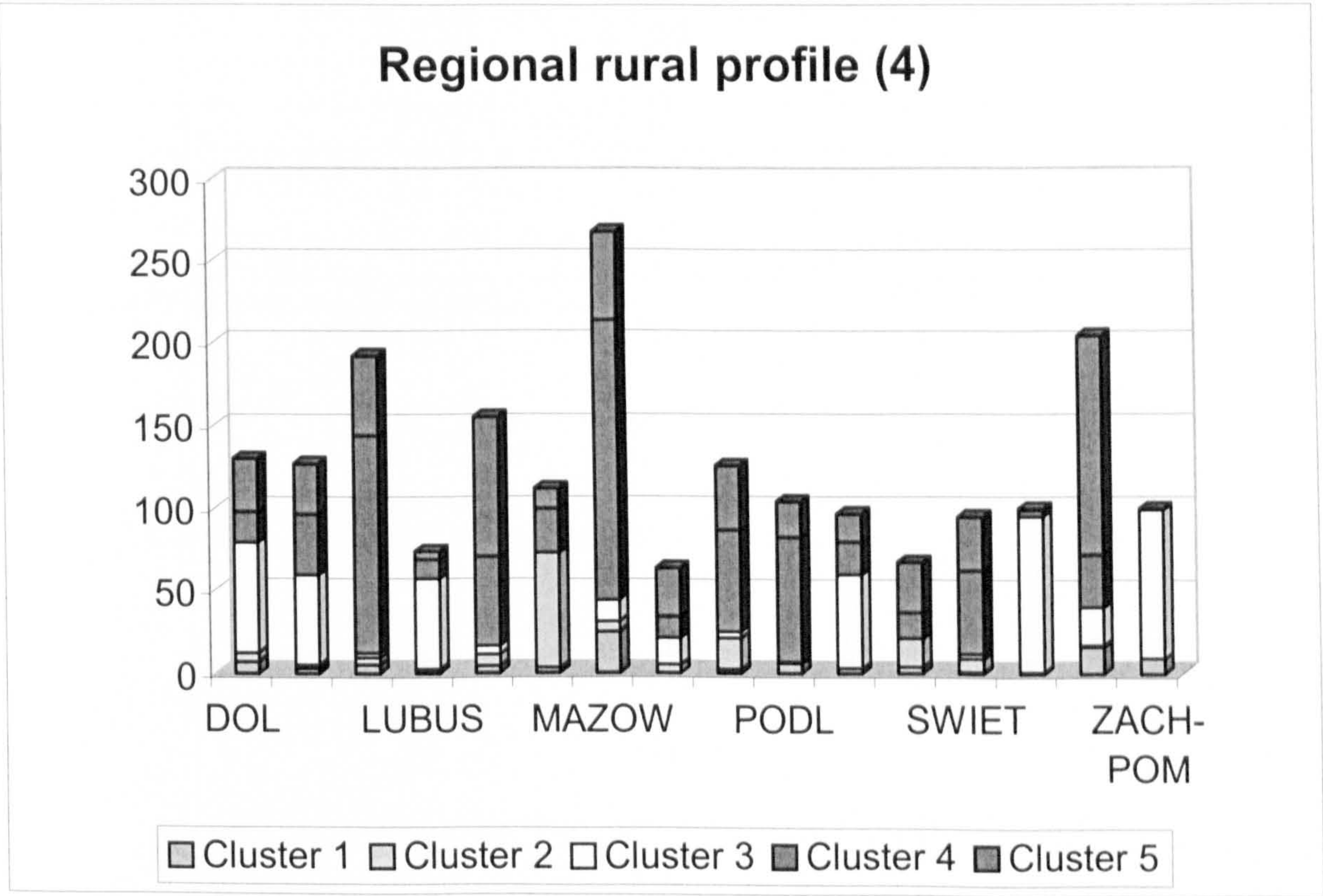
Option 2



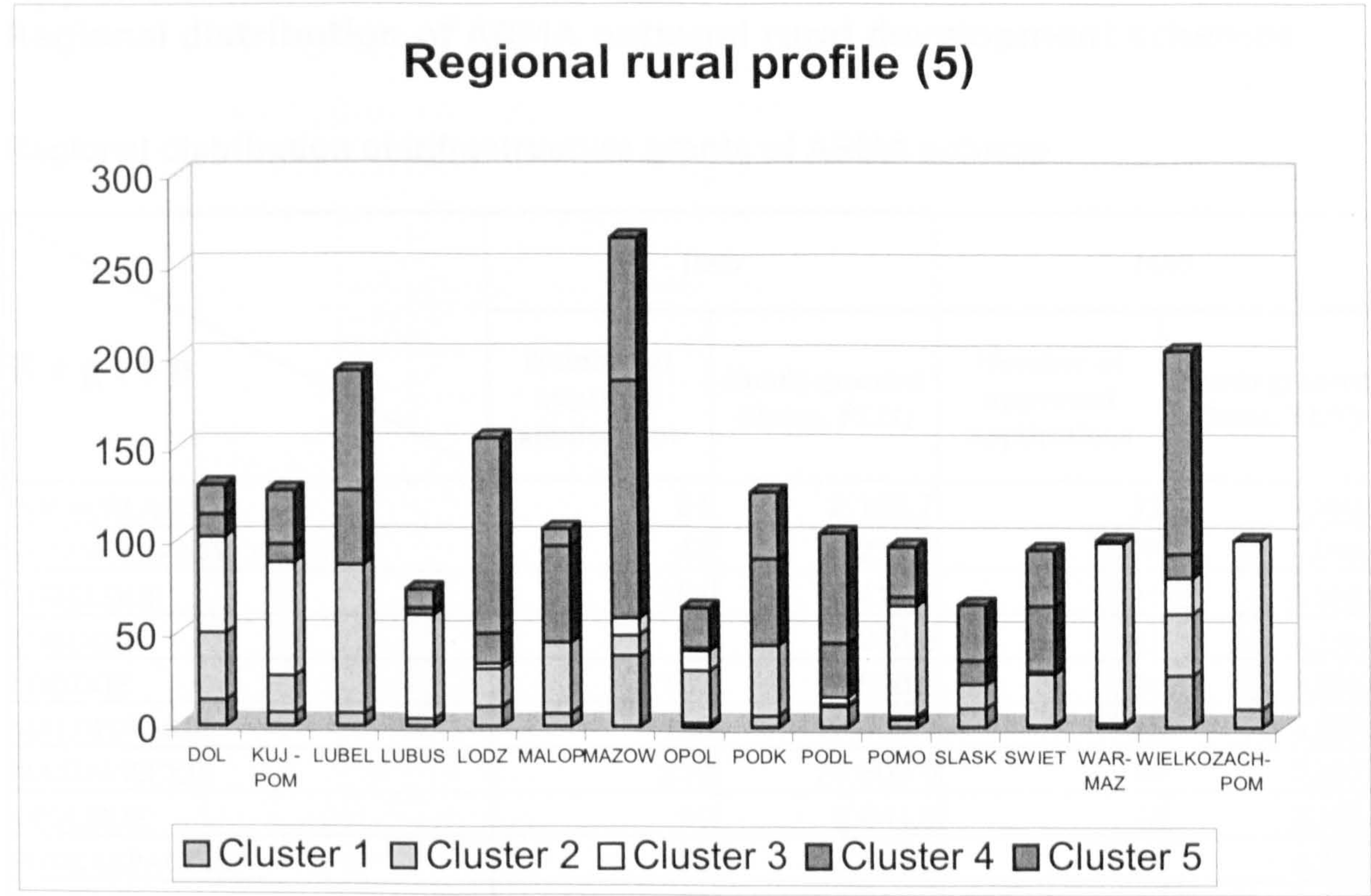
Option 3



Option 4



Option 5



**Appendix 12: Regional distribution
of ARMA national rural development measures**

Appendix 12

Regional distribution of ARMA national rural development schemes

Regional distribution of infrastructure grants of ARMA scheme

R e g i o n	1999		2000	
	Number of approved applications	Funds granted (thous. PLN)	Number of approved applications	Funds granted (thous. PLN)
DOLNOŚLĄSKIE	21	2,198.7	35	7,000.0
KUJAWSKO-POMORSKIE	47	6,231.7	28	6,000.0
LUBELSKIE	164	17,416.2	35	6,500.0
LUBUSKIE	10	1,213.0	42	6,536.9
ŁÓDZKIE	133	12,620.5	40	6,000.0
MAŁOPOLSKIE	136	17,409.1	25	4,699.2
MAZOWIECKIE	219	26,609.0	40	7,627.9
OPOLSKIE	19	2,441.9	32	5,100.0
PODKARPACKIE	103	18,681.0	36	6,762.7
PODLASKIE	82	8,038.3	41	6,473.3
POMORSKIE	43	7,244.3	27	5,900.0
ŚLĄSKIE	69	11,643.1	24	4,900.0
ŚWIĘTOKRZYSKIE	97	9,381.1	42	6,100.0
WARMIŃSKO-MAZURSKIE	15	1,573.4	47	7,200.0
WIELKOPOLSKIE	118	16,190.6	35	6,100.0
ZACHODNIOPOMORSKIE	27	4,506.9	42	7,100.0

Source: ARMA (electronic communication)

**Appendix 12: Regional distribution
of ARMA national rural development measures**

**Regional distribution of support for non-agricultural business in Poland
(ARMA)**

Region	1999		2000	
	Labour Fund (Scheme 1)	Rural Business Scheme (Scheme 2)	Labour Fund (Scheme 3)	Rural Business Scheme (Scheme 4)
DOLNOŚLĄSKIE	1,160	400.0	2,161	1,705.1
KUJAWSKO-POMOR	1,480	435.5	1,665	830.0
LUBELSKIE	1,873	110.0	4,041	1,253.0
LUBUSKIE	2,898	210.0	1,974	894.8
ŁÓDZKIE	1,240	390.0	7,003	1,999.3
MAŁOPOLSKIE	640	470.0	4,770	1,759.9
MAZOWIECKIE	2,720	230.0	3,578	2,284.0
OPOLSKIE	1,306	80.0	267	690.0
PODKARPACKIE	520	305.0	4,809	885.9
PODLASKIE	240	100.0	2,125	510.0
POMORSKIE	440	420.0	1,784	580.0
ŚLĄSKIE	240	60.0	2,975	650.0
ŚWIĘTOKRZYSKIE	240	190.0	1,199	160.0
WARMIŃSKO-MAZ	872	80.0	991	590.0
WIELKOPOLSKIE	2,571	1,105.0	6,091	2,698.9
ZACHOD-POMORSKIE	1,120	0.0	775	627.6

Source: ARMA (electronic communication)

**Appendix 12: Regional distribution
of ARMA national rural development measures**

Regional distribution of subsidized credit on farm development and processing across Polish regions (as administered via ARMA) (2000)

	Basic Investment Credit line		Sectoral Credit line		Land purchase credit line		Young farmer Credit line		Total	
	number	value (000 PLN)	number	value (000 PLN)	Number	value (000 PLN)	Number	value (000 PLN)	Number	Total value (000 PLN)
DOLNOŚLĄSKIE	124	16,551	69	23,986	278	7,794	165	25,008	636	73,339
KUJAWSKO- POMORSKIE	312	32,866	95	19,357	805	24,980	349	37,595	1,561	114,798
LUBELSKIE	444	27,732	231	23,992	865	12,362	798	64,013	2,338	128,099
LUBUSKIE	38	11,021	9	8,784	27	576	67	12,145	141	32,526
ŁÓDZKIE	276	22,597	80	25,423	394	6,485	586	63,113	1,336	117,618
MAŁOPOLSKIE	100	16,308	14	7,129	98	1,777	158	17,894	370	43,108
MAZOWIECKIE	458	44,719	420	40,709	779	13,652	1,216	120,496	2,873	219,576
OPOLSKIE	59	5,903	40	11,869	339	12,241	128	16,912	566	46,925
PODKARPACKIE	67	8,013	22	2,738	50	786	110	9,271	249	20,808
PODLASKIE	301	13,823	493	25,732	397	6,279	433	36,204	1,624	82,038
POMORSKIE	129	26,541	55	11,571	169	4,316	232	27,382	585	69,810
ŚLĄSKIE	78	15,990	21	7,934	43	1,718	94	21,732	236	47,374
ŚWIĘTOKRZYSK	112	5,760	4	3,715	207	3,124	204	13,210	527	25,809
WARMINSKO- MAZURSKIE	81	18,540	102	13,949	181	4,404	281	28,722	645	65,615
WIELKOPOLSK	458	45,269	160	40,216	911	31,176	770	110,902	2,299	227,563
ZACHODNIOPO MORSKIE	68	16,628	30	13,472	99	2,612	116	15,066	313	47,778
TOTAL	3,105	328,261	1,845	280,576	5,642	134,282	5,707	619,665	16,299	1,362,784

Note: data for the processing and primary sector cannot be disaggregated.
Source: ARMA (electronic communication)

Appendix 13

Participant observation: activities in brief (November 1996- March 2001)

1996

November Co-organised and interpreted conference: Polish Agricultural and Rural Policy Pre-EU Accession. Participants included key Polish and EC rural and agricultural policy practitioners, advisors, analysts and academics

1997

ongoing Liaison between Know-How-Fund Consultancy project on integrating Polish – EC agricultural and rural policies and the Ministry of Agriculture: dept for EC integration, working groups for dairy, beef, cereals, and the Structural funds. The project provided training and technical assistance. The groups consisted mainly of civil servants from the Ministry and central agencies.

1998

spring Coordinated the drafting of National Programme of Preparation of EU Membership (in the area of agriculture and rural development). The document has been drafted based on the inputs from the Ministry Working Groups.

April Participated in conference on the EC Structural Funds – first presentation of SAPARD Programme to the Applicant Countries (Brussels). The presentation of key SAPARD principles to 10 countries.

May-Jun Prepared materials and workshops to disseminate SAPARD information for the staff of Ministry of Agriculture – mainly for Working Group for Structural Funds.

May-Dec Participated in preparing Special Preparatory Programme for the Structural Funds in Poland (interministerial meetings) and in the preparation for twinning cooperation with the Irish Ministry of Agriculture. The SPP operated as Institutional Building programme at central level to assist in the structural funds preparations.

June-Sept. Prepared background report for the Ministry: *"Implications of SAPARD for MAFE: for the Ministry, for Interministerial coordination, for Decentralised Rural Development"* (commissioned by Ministry of Agriculture and Know-How-Fund).

Sept. Participated in tailored made course for Polish negotiations on EC negotiation practices (Maastricht – Institute of Public Administration)

Appendix 13: Participant observation : activities in brief

Oct. Assisted in organisation of SAPARD seminar (with EC Commission) to present SAPARD instrument to Poland (mostly central level participants)

Nov. Participated in working meetings with Irish administration on Structural Funds (Dublin)

1999

Jan-Feb. Prepared and participated in consultancy mission on regionalisation of SAPARD programme in Poland (meetings with key central and regional players, incl. Marshal Office in Malopolska)

January Participated in preparing lobbying on procedural changes in SAPARD Programme (applicant countries, Member States and the European Commission) – attempts to lobby for more favourable procedural codes for SAPARD.

February Assisted in organizing seminar of accreditation of payment agencies (with Austrian/Swedish participation)

March Participated in meeting and training for all applicant countries on Structural funds (East Germany)

March Participated in European workshop on EU rural development policies and Eastern enlargement post-Agenda 2000 – Arkleton Trust, Scotland. Round table discussion of EU and CEECs policy practitioners, policy makers and academics.

March-Apr Prepared the format of regional consultation process (seminar materials, working group discussions, questionnaire) for SAPARD in 16 Polish Regions. Conducted 6 regional seminars (*Zachodniopomorskie, Opolskie, Slaskie, Mazowieckie, Malopolskie*)

from May on Participated in works of working groups for SAPARD programme: in particular: measure: *diversification of rural activities in rural areas*

July Coordinated visit by Head of Independent Evaluation Unit, DAFF, Ireland to establish the system for SAPARD Evaluation

July Prepared brief on the key SAPARD plan and measures (for Ministry management)

August Coordinated Commission's visit to Poland (incl. meeting with regional level – *Podkarpace* region)

Sept. Coordinated preliminary ex ante evaluation of SAPARD programme (internal coherence, linkages with national and other programmes etc)

Appendix 13: Participant observation : activities in brief

Sept.	Participated in meeting of all applicant countries and training on the structural funds in Finland (mainly forestry and diversification measures)
October	Drafted <i>SAPARD</i> Operational Programme for Poland (based on input provided from the Ministry)
Nov.	Assisted in internal process of SAPARD agreement in Poland
Dec.	Assisted in the process of ex – ante evaluation of SAPARD Programme

2000

March	Presentation and discussion of the draft SAPARD Programme. Przysiek Participants: regional authorities and advisory centers (from all over Poland)
April-Sept.	Participated in negotiating the Operational SAPARD Programme with the European Commission
Septem.	Presentation of SAPARD Programme to the EU Agricultural Attaches, Jablonna.
Septem.	Participated in observer's capacity in STAR Committee (Council) to adopt the SAPARD programme
Oct.-Dec.	Participating in developing implementing procedures for SAPARD programme (in particular in internal audit processes, especially for rural diversification)

2001

January	Negotiation of implementing procedures for SAPARD Programme, National re-consideration of strategic approach in view of the newly emerging auditing standards revealed by EC Commission
February	Provision of training / examination to the management of ARMA – regional offices all over Poland
March	Re-consideration of measure and project investment criteria for diversification of economic activities. A series of workshops with the regional staff of extension centers, NGOs, enterprise development agencies in Cracow, Radom, Poznan and Warsaw
March	Provision of training for <i>Podkarpackie</i> region: SAPARD programme, subsequent discussion

Appendix 14

List of semi-structured interviews

January 2002

C e n t r a l l e v e l (carried out in Warsaw)

K. Romanowska, SAPARD Coordination Unit, ARMA

B. Kasprzak-Lublinska, Director for Monitoring and Analysis, ARMA

M. Safin, Formerly Officer for Agriculture and Rural Development, World Bank

M. Paradowski, Deputy Director, Dept of Structural Funds, MARD

M. Nowicka, Head of Programming Unit, Dept of Structural Funds, MARD

W. Lyson, Deputy Director, Department of Structural Funds, MARD

R e g i o n a l l e v e l (carried out in Szczecin/Zachodniopomorskie)

I. Kaliszewski, Director of Rural Development Department, Marshall Office

A. Zabinski, Director of Regional Development Department, Marshal's Office

A. Bladoszewski, Director, Regional Unit for Implementation of Rural Development Programme

J u n e 2002

E U l e v e l (carried out in Brussels)

J. Jutte, Socio-Economic Analysis of the Regions and Enlargement, DG REGIO

E. Saraceno, Group of Policy Advisers, European Commission

C. Sauvaget, Administrator, Rural Development, Enlargement, DG AGRI

A. Wilkinson, Head of SAPARD Unit, DG REGIO

January 2003

C e n t r a l l e v e l (carried out in Warsaw)

M. Nowicka, Head of Programming Unit, Dept of Structural Funds, MARD

March 2003

E U l e v e l (carried out in Brussels)

J. Jutte, Socio-Economic Analysis of the Regions and Enlargement, DG REGIO

M. Dewit, Rural Development Programming – Poland, DG AGRI

J-M. Courades, Rural Development (Transition SAPARD-Structural Funds), DG AGRI

Appendix 15: Regional development strategies

	Spatial selectivity in ruralities/rural/intra-regional variation	Agri and rural component	Identity	Participation processes	Legitimising discourse for regional actors Role in development
Dolnosla	<p>No spatially selective policy preferences for rural measures.</p> <p>Yes, specification of three development zones based on natural conditions, spatial organization, accessibility and economic conditions – for general trends.</p> <p>But local perspective will decide on specific projects.</p> <p>Note of specificity of mountainous areas.</p>	<p>Separate domain</p>	<p>Weak. Alleged deficits of identity due to historically short traditions of region. But emphasis on the creation of regional identities and bonds as one of the key added value of regional authorities.</p> <p>Development, or creation of bonds – part of regional role. The strategy indicates which events from the recent Polish history an be used as references for identity creation.</p> <p>Perception of the link between the effectiveness of regional lobbying and territorial affinities of regional elites. Regions seen as not very successful in clientelist practices so should lobby for more transparent practices in central administration.</p>	<p>No easily findable in the strategy text.</p>	<p>Moral-civil rhetoric Many desideratas – not clear commitments but undeniable statements. Self-referential rhetoric’s.</p> <p>E.g. „Mere compliance with law does not yet ensure partnership relationships between the authorities and inhabitants. More is needed – a broadly understood decency (..) of the authorities”.</p> <p>Elaborate self-definitions e.g. „self-governance is first of all a platform for expressing citizen’s opinions and reaching compromise. At the same time, it is a system of mechanism for managing the region – which includes aspirations of citizens”.</p> <p>Efficient self-governance, i.e. taking matters into one’s own hands can be a guarantee for regional success”.</p>

Appendix 15: Regional development strategies

<p>Lubelskie (only summary available)</p>	<p>Not addressed but realistic statement on development prospects yes: business development in places on transport routes and bigger settlements – others will need to get better transports to towns. Recognition for need for rural-urban migration.</p>	<p>Distinct component</p>	<p>Not explicitly mentioned</p>	<p>Local governments, central administration, local academics, business, NGO, environmental, cultural circles, politicians, planners 13 working groups of 30-40 people chaired by a person with academic title/degree, separate Expert Group, separate Consultation Council (and a coordination team).</p>	<p>„Politicians, intellectuals, social activists, and regional people must devote more and more attention to regional development”. “It should be expected that the strategy will be a platform of active discussion and presenting various development options. Their identification and ordering is the basis for determining a hierarchy of objectives, leading to obtaining regional consensus on major matters of regional future. The strategy also takes into account other mechanisms of market economy, social situation and economy.”</p>
<p>Lubuski</p>	<p>No reference to rural spatial variation of preferences No reference to internal resource inequalities Recognition that region not cohesive and made up of two separate unit (small voivodships) in terms of transport, and identity No spatial sensitivity of rural preferences</p>	<p>No separate status of rural component. Despite a recognition that rural policies belong to central competence, a range of objectives and measures listed.</p>	<p>No, assertion that the collective identity is non-existent – region perceives itself as center composed of two ex small regions with two centers of equal importance. But creation of regional bonds and identities presented as one of the key objectives of regional authorities</p>	<p>Yes, briefly described. Written by eminent professor of Warsaw Based on three days consultation workshops (self-government, administration, academics, etc) organized by regional authorities in conjunction with a foundation from Warsaw.</p>	<p>Elements of academic discourse (theory of strategy preparation) and of economic geography Clarity: strategy is only a strategy for regional government Assertion that the strategy should not be taken as central planning. But, The strategy informs the community and businesses about the priorities adopted by the authorities. In this sense the strategy should be the basis for institutions and businesses in the region.</p>

Appendix 15: Regional development strategies

Malopolskie	<p>No but under "restructuring areas" designation of "mountain" areas (on district level). As a separate report: Malopolski Programme of Rural Development. References to specific subregional cultures.</p>	<p>Unclear. Round structure – "integrated, not sectoral". Complex structure: strategic field, main objective, key objective, programme, priority No separate component. "rural" under many fields.</p>	<p>Yes Reflected in "we" Asserted through the text. Reinforcement of regional bonds reflected amongst objectives</p>	<p>Strategy was early consulted with samorzad, in particular with district strategies. Consulted with experts from Warsaw (but only at a later stage) then special strategic workshop. More reference to academics than organizations but detailed description of social consultations suggests they took place. They also present social support for specific objectives</p>	<p>Strategy serves "for organization of joint efforts of all (people) engaged in the development of the region." (p.7) "The strategy forms the basis for construction of regional budget and spatial plan" Pretty specific. Emphasis on monitoring structures as well as financial perspective. Measurable targets (with impact indicators) – clear benchmarks</p>
Mazowieckie	<p>No reference to rural spatial variation Clear recognition of internal resource inequality, especially Warsaw and the rest. Intra-regional convergence as one of the key regional objectives. No spatial sensitivity of rural preferences</p>	<p>No Merely a separate objective Unclear, complicated structure</p>	<p>No identity "the level of regional identity or a sense of regional belonging is low or does not exist at all" "The level of regional awareness and common interests is very low" But importance of creating regional identity recognized amongst objectives.</p>	<p>Yes, very extensive consultation process. Described in detail in strategy text. Stages: regional administration for diagnosis and one main academic consultant for strategy formulation; consultation within the Commission of Planning in the Regional Board; single consultant to write a doc plus needs for specific reports and small team to draft a doc; social consultations: local governments (sent), party leaders, MPs and higher education One workshop specifically on rural policies. Most participants amongst local and regional authorities. Little mention of private bodies.</p>	<p>Few measurable objectives – conditional tense used for monitoring ("should be done", would be done) Impersonal style – hard to say who should do what. No verbal commitment.</p>

Appendix 15: Regional development strategies

Opolskie	<p>Preferences not spatially selective Intraregional differentiation based on natural conditions presented in strategy text.</p>	<p>Separate component</p>	<p>Yes. Defensive identity. They managed to 'defend their region'. They see themselves as "historically formed region."</p>	<p>Yes. References to consultation process. References to coalition building etc.</p>	<p>"Self-governance" allows regions to use EU regional aids. The regional strategy is supposed to serve all its inhabitants so it is important to incorporate all inhabitants in its creation. "Creation of the strategy has been conducted with principles given by the European Union for such documents". The Regional Board needs to implement the strategy already now but it will not do it by themselves – they need to seek alliances. (haven't found any yet?) Again: they say what the strategy is expected to be doing. No clear commitment what regional authorities A lot of passive voice – style of concise documents</p>
Podkarp	<p>No differentiation of proposed policy preferences But yes, they have identified five distinct problem areas Acknowledgement in intra-regional differences and assertion that "regional authorities should create a model of development targeted at reducing excessive intra-regional gaps in levels of development.</p>	<p>Yes Clear component – clearly marked Second in importance</p>	<p>Yes, assertion that though in last 25 years region was divided into smaller units, but the bonds were created before and region can be treated as economic region" "Similar economic profile of the region leads to shared problems, region has common traditions and cultural identity and functions in social awareness." Call for strengthening bonds between rural and urban – as an objective.</p>	<p>Yes, clearly described Territorial and sectoral consultations Undefined series of workshops with private sector, academics etc. and neighbouring regions Programming task groups – consisting of local authorities, business partners, and academics. Strategic Committee had a role of ensuring a consensus around the key decisions. In conjunction with 12 expert groups for strategic advice.</p>	<p>"Strategy is the key programming document of the regional authorities. Without the strategy it is impossible to manage regional development." "But the strategy should not be seen only as application for assistance. It would be an example of seeing the regional policy in a superficial way" Regional authorities should play a role of initiator and coordinator of development activities"</p>

Appendix 15: Regional development strategies

Podlask	<p>„The method of developing the strategy has assumed the maintenance of current significant diversity and specificity. The specificity of Podlaskie region (an amalgamation of former three voivodships) is that the internal differentiation was formed in the previous period.</p>		<p>Yes. Based on multicultural traditions. However only weak references to identity.</p>	<p>Strategia powstała przy znacznym zaangażowaniu samorządów terytorialnych wszystkich szczebli, przedstawicieli różnych środowisk, organizacji, uczelni wyższych i autorytetów lokalnych. Aktywną rolę przy nadawaniu jej obecnego kształtu odegrali parlamentarzyści - posłowie i senatorowie. Dominującą rolę w kształtowaniu tego dokumentu spełnili radni województwa, którzy poprzez kilkumiesięczną pracę w komisjach, wnieśli do niego szereg wniosków i propozycji zmian wychodzących naprzeciw oczekiwaniom społeczności lokalnych.</p>	
Pomorsk	<p>No spatial selectivity of policy preferences, except for some instruments specifically targeted at post-state-farming areas. But yes, differentiation of sub-regions based on soil quality, suburban areas and tourism attractiveness, and areas of predominant post state-farming.</p>	<p>No separate rural component</p>	<p>No, no general sense of regional identity But some communities with territorial identities. Strategy emphasizes identity building – also based on recent history events. Reinforcement of identity as once of the objectives of regional authorities.</p>	<p>Subcontracted to a consortium of agency of regional development and institute of market economy research. They organized a 12 public debates moderated by professional moderators. 800 participants. A specialist discussion on agriculture.</p>	<p>The strategy is brief in style. “The strategy is the basic document of regional authorities. To be elaborated in regional programmes It contains elements of academic lectures.</p>

Appendix 15: Regional development strategies

Slaskie	<p>4 types of rural areas distinguished. With associated four SWOTS (brief).</p> <p>Three types of rural areas depending on level of agricultural production, plus mountainous areas. Those areas correspond to groups of districts</p> <p>No differentiation of instruments shown. Four types of subunits for regional policy (geographic - northern, western, etc)</p>	<p>No</p> <p>Unclear. Logic set by very broad objectives (hard to see how to operationalise)</p>	<p>Yes, territorial but no regional.</p> <p>Reference to „small voivodships“ even in title page</p> <p>„Compared to other regions, Slaskie has a clear multi-cultural image“.</p>	<p>Yes, a specific chapter describing a list of participant by names.</p> <p>Circa 300 names mentioned. From many institutions, both private and public. Task-groups</p>	<p>Strategy is the basis instrument of regional policy implemented by regional authorities.</p> <p>Strategy is compliant with local and central strategies.</p> <p>Strategy expresses the will of regional community for joint actions.</p>
Swietok	<p>No spatial differentiation of instruments</p> <p>Intra-regional differentiation shown throughout the text, multiple maps</p> <p>Some prescriptive comments - where agricultural development prospects, where to move rural population</p>	<p>Yes</p> <p>Huge number of „operational programmes</p>	<p>Yes, but not emphasised in the text.</p> <p>Only mentioned in SWOT as „strongly marked regional identity and social activity but it is not developed“</p>	<p>Regional authorities and one (named) expert (with no affiliation)</p> <p>Financed from foreign assistance and delivered with foreign consultancy company</p> <p>7 task forces plus Board for Strategy plus Consultative-Academic Council for Strategy</p> <p>Altogether 700 people involved</p> <p>Rural involvement: unclear, Director of Advisory and Chairperson of Agri Chambers in the Board (2 out of 22 persons)</p>	<p>Strategy is the basis for operational programmes, budgets and spatial planning. Strategy is also crucial for attracting EU assistance.</p> <p>Regional counselors, managers, leaders of political parties, academics, artists and entrepreneurs <i>should</i> be co-authors of the vision created by the strategy</p> <p>Strategy has “hypothetical objectives”</p> <p>“Strategy is a tool supporting and correcting the market failures. It initiates economic activities, which still cannot be triggered by free market, although if there was more capital and if the society was wealthier, the market mechanism would be ignited. It is, thus, a platform of the intervention of the authorities into the economy”</p>
	<p>Yes, clear sub-regions designated with relative priorities for different policies mentioned.</p> <p>Need to designate small towns</p>	<p>Special regional strategic programme</p>	<p><i>Wielkopolska</i> recognizes that „voivodship has a cultural and historic identity, but nonetheless it is very much</p>	<p>Authors: Wielkopolska academic community (plus unnamed business „practitioners“) as main</p>	<p>Clear partnership with private and public actors.</p> <p>“The strategy is a road sign for all, not only for regional self-government. Its</p>

Appendix 15: Regional development strategies

<p>Wielkop</p>	<p>and principal villages as development centers. Not specific reference to concrete geographical values though. On one hand our region occupies a relatively good position in terms of important processes such as development of private sector, development of SME, foreign investments. In general, due to its traditionally upper high level of economic management and relatively high efficiency of social system, Wielkopolska has a chance of intensive economic development and relatively quick approaching the level of Western economies. On the other hand, there are many hindrances and barriers, which can significantly slow down this process.</p>		<p>internally differentiated" (p. 10). Use of "we". <i>Wielkopolska</i> recognizes that "voivodship has a cultural and historic identity, but nonetheless it is very much internally differentiated" (p. 18). The implicit linguistic clues support this claim: those two strategies are the only ones to use the non-hedging pronoun "we" (instead of passive voice). p. 11: relatively high level of regional identity and relatively good organisation of social life in local scale but lack of wider and active cooperation at a level above commune. p. 10: in general the region is historically and culturally identifiable but very much internally differentiated. 32: objective: strengthening of regional identity and regional cohesion Voivodship is an integral part of Poland – unitary state. Consequently the regional development strategy cannot admit provisions unfavourable to the Polish state as a whole or for its constitutional functions.</p>	<p>contractor with assistance from regional authorities; Draft of regional development strategy was prepared by interdisciplinary team of authors made up of academics and business community.</p> <p>Involvement of rural actors Not mentioned specifically, bodies consulted not mentioned either</p>	<p>provisions are not only a set of rules for future development budget or expected foreign aids. This is also a big collective inspiration for rational activities for the sake of the development of our region.</p> <p>The strategy is a document which proposes a set of principles for actions to everybody who may and wants to influence change in our region. This is why the discussion on the strategy and ways of its implementation comes down to the question: what part of our activities and capacities can be devote to common objectives?</p> <p>The strategy has threefold provisions: conceptual, programming and projects. Conceptual sphere is supposed to create a vision of development of a region and its social, economic, cultural and natural elements. Programming sphere determines ways of implementing the development visions. Finally, project sphere is a set of tasks, which are an operational expression of programming provisions.</p> <p>Typical managerial strategy. References to regional academic credibility as "no all provisions can obtain social approval" (p.5)</p>
	<p>Yes, acknowledged to exist and recognized as objective but not transposed on the level of preferences</p> <p>Non-cohesion and progressing</p>	<p>Yes.</p>	<p>Missing. Objective is to develop</p>	<p>Broad consultations, described in detail in the text. Cooperation undertaken by all communes and districts, 739 businesses, 20 institutions of enterprise support, 37 NGOs</p>	<p>Very broad and non measurable.- example of consultation to bring everything on board Highly factual, bureaucratic style Non specific – e.g. telemedicine (full of</p>

Appendix 15: Regional development strategies

Zachodnio-pomorskie	<p>marginalisation of some areas is mentioned in SWOT.</p> <p>Objective to "decrease the gaps in the levels of development between various areas of the voivodship" by investment support programmes.</p> <p>4 spatial sub-areas designated – in descriptive part (instruments and objectives later are not spatially selective or specific) – border area, coast, lakes and agricultural area. Clear spatial planning and preferences for functions.</p>			<p>Broad consultations – described in detail in the text</p>	<p>new things but unlikely to be implemented). No numbers: telematics, etc. Example:</p> <p>Example</p> <p><i>Operational objective:</i> Inclusion of rural areas into the process of increasing of economic innovativeness</p> <p><i>Priority 1:</i> Activisation of intellectual potential as a condition of preparing rural communities to the increased market standards.</p> <p><i>Effects:</i> Increased competitiveness of rural economy</p>
---------------------	---	--	--	--	---

Indicative problems covered by semi-structured interviews

1. What is the current state of play of preparation of Polish FEOGA-Guidance Programmes? How is it planned to progress?
 - timing
 - procedure
 - institutions
2. How do you see the role of regions in the SAPARD programme and why? (programming, implementation)
3. How do you think the SAPARD experience is likely to condition the preparation and implementation of FEOGA-Guidance?
4. What would be the key advantages of involving regions in the FEOGA-Guidance programming/implementation?
5. What would be the key problems/disadvantages of involving regions in the FEOGA-Guidance programming/implementation?